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Broadcasting Policy Monitoring Report 2004

Radio

Television

Broadcasting Distribution

Social Issues

Internet

Canada

Introduction

This is the first volume of the 2004 Broadcasting Policy Monitoring Report. It provides a comprehensive overview of the current state of the Canadian broadcasting system, including the challenges and opportunities facing the industry. The report is organized into five main sections: Radio, Television, Broadcasting Distribution, Social Issues, and Internet. Each section contains a detailed analysis of the current state of the industry, as well as recommendations for policy and regulatory changes.



Broadcasting Policy Monitoring Report 2004

Radio Television Broadcasting Distribution Social Issues Internet

The 2004 Broadcasting Policy Monitoring Report is a comprehensive overview of the current state of the Canadian broadcasting system. It provides a detailed analysis of the challenges and opportunities facing the industry, as well as recommendations for policy and regulatory changes. The report is organized into five main sections: Radio, Television, Broadcasting Distribution, Social Issues, and Internet.

The data and information used in this report were obtained from a variety of sources, including the Canadian Radio-television and Telecommunications Commission (CRTC), the Canadian Broadcasting Corporation (CBC), and other industry organizations. The report is intended to provide a comprehensive overview of the current state of the Canadian broadcasting system, as well as recommendations for policy and regulatory changes.

The report is organized into five main sections: Radio, Television, Broadcasting Distribution, Social Issues, and Internet. Each section contains a detailed analysis of the current state of the industry, as well as recommendations for policy and regulatory changes.

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Introduction

This is the fifth edition of the CRTC's Broadcasting Policy Monitoring Report which provides an on-going assessment of the impact of CRTC regulations, policies and decisions¹ towards the achievement of the objectives of the *Broadcasting Act*. The 2004 version continues to measure the performance of the Canadian broadcasting system. As in the past, we hope that this report will help to foster a more open and better-informed public discussion of broadcasting policy in Canada. The Commission invites parties to use the report to enrich their participation in our regulatory policy and licensing proceedings.

The 2004 edition updates the performance indicators and continues the trends outlined in previous reports. In addition, the 2004 report introduces audience measures in regard to the viewing to Canadian programming using metered data. The Commission took part in a working group in order to add the country of origin and program genre for each program captured by the Bureau of Broadcast Measurement Canada (BBM) and Nielsen Media Research people meter databases from 1 September 2003.

The data and information used as the basis of the CRTC's policy monitoring is drawn from many sources. These sources include (1) information filed by participants in the normal course of the Commission's hearings and public proceedings; (2) information obtained from Statistics Canada; (3) audience measures from the BBM and Nielsen Media Research; (4) the Annual Financial Returns filed by licensees of the CRTC; (5) programming information filed as part of licensees' television program logs; (6) the Commission's ownership records and radio compliance monitoring results; and (7) publicly available information, such as annual reports from publicly traded companies, CRTC decisions and public notices.

The report is sub-divided in six sections: Overview, Radio, Television, Broadcasting Distribution, Social Issues and Internet.

Interested parties are welcome to provide comments for improvements or additions to future editions of the report and can do so by forwarding them to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2 or electronically at info@crtc.gc.ca.

The Broadcasting Policy Monitoring Report is also available electronically at www.crtc.gc.ca/ENG/publications/reports.htm

¹ *New Regulatory Framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997; *Commercial Radio Policy* 1998, Public Notice CRTC 1998-41, 30 April 1998; *New Media*, Broadcasting Public Notice CRTC 1999-84, 17 May 1999, and *Telecom* Public Notice CRTC 99-14, 17 May 1999; *Building on Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999; *Ethnic Broadcasting Policy*, Public Notice CRTC 1999-117, 16 July 1999; *Licensing Framework Policy for New Digital Pay and Specialty Services*, Public Notice CRTC 2000-6, 13 January 2000; *Campus Radio Policy*, Public Notice CRTC 2000-12, 28 January 2000; *Community Radio Policy*, Public Notice CRTC 2000-13, 28 January 2000; *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000;

A Policy to Increase the Availability to Cable Subscribers of Specialty Services in the Minority Official Language, Public Notice CRTC 2001-26, 12 February 2001;
Licence Renewals for the French-language National Television Network TVA and for the French-language Television Programming Undertaking CFTM-TV Montreal, Decision CRTC 2001-385, 5 July 2001;
Licence Renewals for the Television Stations Controlled by CTV, Decision CRTC 2001-457, 2 August 2001;
Licence Renewals for the Television Stations Controlled by Global, Decision CRTC 2001-458, 2 August 2001;
Achieving a better balance: Report on French-language broadcasting services in a minority environment, Public Notice CRTC 2001-25, 12 February 2001;
The distribution of the proceedings of the House of Commons on CPAC, Public Notice CRTC 2001-115, 6 November 2001;
Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001;
A licensing policy to oversee the transition from analog to digital, over the air television broadcasting, Public Notice 2002-31, 12 June 2002;
Exemption order respecting radiocommunication distribution undertakings (RDUs), Public Notice CRTC 2002-45, 12 August 2002;
New licensing framework for specialty audio programming services, Public Notice CRTC 2002-53, 12 September 2002;
Policy framework for community-based media, Public Notice CRTC 2002-61, 10 October 2002;
Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Public Notice CRTC 2003-23, 30 April 2003;
The regulatory framework for the distribution of digital television signals, Public Notice 2003-61, 11 November 2003;
Revised lists of eligible satellite services, Public Notice CRTC 2004-88, 18 November 2004;
Incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2004-93, 29 November 2004..

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I. Overview

A. Diversity of Programming in the Canadian Broadcasting System

Section 3(1)(i) of the *Broadcasting Act* (the Act) states, in part, that the programming provided by the Canadian broadcasting system should:

- (i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,
- (ii) be drawn from local, regional, national and international sources,
- (iii) include educational programs and community programs, [...].

To further the above noted broadcasting policy, the Commission ensures that Canadians have access to a diversity of programming drawn from a variety of sources. The following tables provide a summary of the variety of television and radio services that are available in the Canadian broadcasting system. A table summarizing the number and types of Canadian broadcasting distribution undertakings is also provided.

Table 1.1: Canadian Television Services

	English Language*	French Language	Third Language	Total
Canadian Conventional (Over-the-air): ⁽¹⁾				
National Public Broadcaster (CBC)				
- Owned & Operated	15	8		23
- Transitional Digital	1	1		2
Private Commercial	73	23	4	100
Religious	5			5
Educational	4	3		7
Native	10			10
Transitional Digital	6	1	2	9
Canadian Specialty, Pay, Pay-per-view(PPV) and Video-on-demand (VOD)				
Analog Specialty Services	30	14	5	49
Category 1 Digital Specialty Services ⁽²⁾	15	3		18
Category 2 Digital Specialty Services ⁽²⁾	33		15	48
Pay Television Services ⁽³⁾	5	1	1	7
Terrestrial PPV Services ⁽³⁾	5	1		6
Direct-to-home (DTH) PPV Services ⁽³⁾	5	1		6
VOD Services ⁽³⁾	11			11
Other Canadian Services				
Community Channels ⁽⁴⁾	187	48		235
Community Programming Services	11	1		12
House of Commons – Cable Public Affairs Channel (CPAC)	1	1		2
Non-Canadian Services ⁽⁵⁾				
Non-Canadian Satellite Services Authorized for Distribution in Canada	82	6	19	107
Total Number of Television Services	499	112	46	657

Excludes rebroadcasters and exempt television services. Also excludes network licences. *Includes bilingual (English and French) and native services. (1) Includes satellite to cable services. (2) Includes only category 1 & 2 services launched prior to October 1, 2004. (3) Number of services licensed. (4) Excludes Class 3 licensees. (5) Carriage of authorized services is at the discretion of the broadcast distribution undertaking. Sources: CRTC APP System (APP 1205 Report run July 30, 2004) and CRTC Decisions

Table 1.2: Canadian Radio and Audio Services

	English Language*	French Language	Third Language	Total
Over-the-Air Radio Services				
National Public Broadcaster				
CBC: Radio One / Première chaîne	36	20		56
CBC: Radio Two / Espace musique	14	11		25
CBC Network Licences	2	2		4
CBC Digital: Radio One / Première chaîne	5	4		9
CBC Digital: Radio Two / Espace musique	5	4		9
Private Commercial				
AM Stations	172	18	9	199
FM Stations	298	80	8	386
AM & FM Network Licences	26	11		37
Digital Radio (Transitional)	42	9	7	58
Community:				
Type A Stations	12	28		40
Type B Stations	20	20	1	41
Campus:				
Community Based	34	6		40
Instructional	9			9
Native – Type B Stations:	40	6		46
Religious (spoken word and/or music):	31	25		56
Other (Tourist/Traffic; Environment Canada; Special Event, etc.)	107	16	1	124
Total Number of Over-the-Air Canadian Radio Services	853	260	26	1,139
Audio Services Delivered by BDUs				
Specialty Audio (Commercial / Non-Profit, Regional / National)	3		11	14
Pay Audio (English & French National Services)	2			2
Total Number of Canadian Audio Services Delivered by BDUs	5		11	16
Total Number of Canadian Radio & Audio Services	858	260	37	1,155

* Includes bilingual (English and French) and native services.

Excludes rebroadcasters and exempt radio services.

Sources: CRTC APP System (APP 1205 run April 2004) and CRTC Decisions

Table 1.3: Number of Licensed Broadcasting Distribution Undertakings (BDUs)

This table provides a breakdown of the number and types of Canadian BDUs.

	Number of Undertakings
Cable	
Cable Class 1	139
Cable Class 2	102
Cable Class 3	1,744
Sub-total Cable	1,985
DTH	2
MDS	29
STV	12
Total Number of Broadcasting Distribution Undertakings	2,028

Sources: Cable Systems - CCTA's 03-04 annual report. This information is as of September 2003 and is based on Mediastats;
DTH, MDS & STV Systems - CRTC APP System (APP 1205 Report run Oct. 14, 2004)

B. Diversity of Voices in the Canadian Broadcasting System

The Commission's mandate with regard to the diversity of voices in markets across Canada originates from the Canadian broadcasting policy set out in section 3 of the Act, particularly in subsections 3(1)(d)(i), 3(1)(d)(ii) and 3(1)(i)(iv) of the Act.

Section 3(1)(d)(i) states that the Canadian broadcasting system should "serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada".

Section 3(1)(d)(ii) states that the programming provided by the Canadian broadcasting system should "encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view".

Section 3(1)(i)(iv) states that the programming provided by the Canadian broadcasting system "should provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern".

The Commission implements the above noted broadcasting policy in its various policies and decisions. For example, in the Television Policy, the Commission continued its policy which generally permits ownership of no more than one over-the-air television station in one language in a given market. This policy assists in providing a diversity of voices in a given market.

In the *1998 Commercial Radio Policy*, Public Notice CRTC 1998-41, 30 April 1998 (Commercial Radio Policy), the Commission sought to strike an appropriate balance between its concerns for preserving a diversity of news voices in a market, and the benefits of permitting increased consolidation of ownership within the radio industry.

In the Licence Renewals for the Television Stations Controlled by CTV and Global – Decisions 2001-457 and 2001-458 respectively, and the Licence renewals for the French-

language national network TVA and CFTM-TV – Decision 2001-385, the Commission considered that it had a responsibility to ensure that a sufficient diversity of broadcasting news and information voices remains as consolidation continues to take place between broadcasters and related industries.

The following tables monitor the diversity of ownership and the diversity of programming choices in Canadian cities between 1991, 2002 and 2003. Table 1.4 examines the three largest cities, Montréal, Toronto and Vancouver. The city of Montreal has been subdivided into two markets, English-language and French-language, based on the broadcast language of the programming service. Table 1.5 examines three additional markets: Winnipeg, Quebec City and Halifax. These tables compare the following for each of the markets in each of the years:

- The number of different owners of television services available in the market that broadcast news and public affairs programming along with the total number of such services;
- The number of different owners of radio stations and daily newspapers available in each market along with the total number of radio stations and daily newspapers.

**Table 1.4: Comparison of the Diversity of Ownership and Programming Choices in Montréal, Toronto and Vancouver
1991 - 2002 - 2003**

	Montréal						Toronto			Vancouver		
	French-Language			English-Language			1991	2002	2003	1991	2002	2003
	1991	2002	2003	1991	2002	2003						
Radio												
Owners												
Canadian - Local	11	12	13	6	7	8	19	17	18	11	13	13
Canadian - Other	1	2	2	1	2	0	10	8	3	4	3	2
Total	12	14	15	7	9	8	29	25	21	15	16	15
Services												
Canadian - Local	15	18	19	9	11	12	25	33	34	20	24	25
Canadian - Other	4	7	11	3	3	2	18	22	24	9	6	6
Foreign	0	0	4	9	6	6	7	10		10	13	13
Total	19	25	30	16	23	20	49	62	68	39	43	44
Television												
Owners												
Canadian - Local	3	3	3	2	3	3	6	6	6	3	6	6
Canadian - Other	4	5	5	1	4	4	4	7	7	-	6	6
Total	7	8	8	3	7	7	10	13	13	3	12	12
Services												
Canadian - Local	3	4	4	2	3	3	7	9	9	5	9	9
Canadian - Other	8	15	15	3	15	15	6	20	20	1	13	13
Foreign		0	0	6	17	17	8	13	13	11	11	11
Total	11	19	19	11	35	35	21	42	42	17	33	33
Newspapers												
Owners - Local	3	4	4	1	1	1	9	12	12	4	3	3
Services - Local	3	4	4	1	1	1	9	12	12	7	4	4

**Table 1.5: Comparison of the Diversity of Ownership and Programming Choices in Halifax, Québec and Winnipeg
1991 - 2002 - 2003**

	Halifax			Québec			Winnipeg		
	1991	2002	2003	1991	2002	2003	1991	2002	2003
Radio									
Owners									
Canadian - Local	6	6	7	7	10	10	6	13	14
Canadian - Other	4	3	4	6	7	5	5	2	3
Total	10	9	11	13	17	15	11	15	17
Services									
Canadian - Local	10	11	12	11	15	16	12	21	22
Canadian - Other	10	6	10	9	13	14	7	10	10
Foreign	0	0	0	0	0	0	0	0	0
Total	20	17	22	20	28	30	19	31	32
Television									
Owners									
Canadian - Local	3	3	3	3	4	4	4	4	4
Canadian - Other	3	7	7	4	6	6	1	6	6
Total	6	10	10	7	10	10	5	10	10
Services									
Canadian - Local	3	3	3	4	4	4	5	5	5
Canadian - Other	9	25	25	10	20	20	3	24	24
Foreign	6	12	12	3	4	4	5	18	18
Total	18	40	40	17	28	28	13	47	47
Newspapers									
Owners - Local	2	2	2	2	2	2	2	2	2
Services - Local	3	3	3	2	2	2	2	2	2

Notes to Tables 1.4 & 1.5:

1. BBM Fall sweeps extended market data and CRTC research were used to determine the number of television services providing news and public affairs programming.
2. BBM Fall sweeps central market data were used to determine the number of radio stations available in each market. It was assumed that all radio stations and newspapers available provided news and public affairs programming.
3. Although the number of foreign services is indicated, the number of foreign owners is not provided.
4. Newspapers include only Canadian daily newspapers published locally and include third language daily newspapers.
5. Only out of market TV and radio services attracting a minimum of 0.1% audience share have been included.

Between 1991 and 2003, the number of available television and radio services has increased in each of Canada's three largest markets and in each of the three mid-sized markets examined.

Since 1991, a significant increase in the licensing of French and English-language Canadian pay and specialty services has added to the diversity of viewing options of Canadians. In addition, the number of U.S. specialty services available has also increased. Increasing diversity in television ownership is evident in all of the markets examined between 1991 and 2003.

Since 1991, there has been an increase in radio ownership diversity in all the markets reviewed with the exception of Vancouver, where it has remained stable, and Toronto,

where it has decreased. There was a decrease in radio ownership diversity in the Montréal English-language, Toronto, Vancouver and Québec City radio markets between 2002 and 2003.

In each of the markets there has been an increase in cross-media ownership between 1991 and 2003. Cross-media ownership is defined as the same owner controlling more than one type of media in the market. Between 1991 and 2003, the number of cross-media owners increased from 1 to 2 in the Montreal English-language market, from 1 to 3 in the Montreal French-language market, from 4 to 8 in the Toronto market, and from 2 to 6 in the Vancouver market.

Not included in the above charts is the on-going development of the Internet and its potential impact on the diversity of voices and information available in markets across Canada. As of March 2004, 76%¹ of Canadians reported having access to the Internet.

C. Trends in Television Viewing

New Audience Measures based on Meter Technology

The 2004 Broadcasting Policy Monitoring Report introduces new measures of audiences to Canadian programs using meter technology. A move towards increased use of metered television audience measures in this report is consistent with an increased emphasis on the results of television metered audience data by the industry.²

The following tables summarize an analysis of viewing to Canadian and foreign television services that are available in Canada by program genre³ using Nielsen Media Research's metered audience data.⁴ Table 1.6 provides trends in viewing by program genre and indicates the relative popularity of each genre. Table 1.6 also provides viewing results based on the programming provided by all English-language services available in Canada (Canadian and Foreign services) and the programming provided by Canadian English and French-language television services. Table 1.7 provides trends in viewing to Canadian versus foreign programs by program genre.

Important methodological factors to note when comparing the results of diary-based data from previous Broadcasting Policy Monitoring Reports with meter-based data:

¹ Refer to Chart 6.1 located in the Internet Section of this report.

² The Commission is currently working with the Canadian Television Fund (CTF), Telefilm, Mediastats and interested government departments to refine a methodology that will facilitate the addition of country of origin and program genre for each program captured by both the BBM Canada and Nielsen Media Research people meter databases. These two additional data fields are available for programs broadcast beginning 1 September 2003.

³ Program genre or type is based on the definitions set out in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat. 11), Infomercials, promotional and corporate videos (cat. 14) programs.

⁴ Information was provided by CBC Research using data from Nielsen Media Research. The data reflects a 42 day sample spread throughout the broadcast year. It excludes viewing to Canadian services licensed for only digital distribution and ethnic services. CBC Research program genres or type are not identical to those developed by the CRTC. There are minor differences, and for the purpose of this report, they have been grouped together to match as closely as possible those categories used by the Commission.

- Diary surveys reflect average weekly viewing trends measured over a 4 week period in the fall of each year while meter surveys measure audiences 52 weeks a year.
- Diary surveys record viewing in 15 minute blocks while meters report average minute audiences.
- Diary samples are larger than metered samples and more geographically representative. Metered samples are concentrated in Canada's top 3 markets (Toronto, Montreal, Vancouver).

Table 1.6: Viewing by Program Genre
1998/99, 2000/01 and 2002/03 Broadcast Years
All Persons 2+, 6 a.m. to 6 a.m.
Nielsen Media Research Metered Data

Program Genre	Percentage of Average Weekly Viewing Hours (%)								
	English-language						French-language		
	Canadian & Foreign Services			Canadian Services			Canadian Services		
	98/99	00/01	02/03	98/99	00/01	02/03	98/99	00/01	02/03
News / Anal. & Interp.	18	16	18	19	17	18	29	28	30
Long-Form Doc.	4	4	3	3	3	2	3	2	3
Sports	10	11	10	12	12	11	6	7	5
Drama / Comedy	46	46	44	45	44	45	39	42	43
Music/Dance & Variety	6	7	8	7	8	9	10	11	10
Other	15	16	18	14	15	15	14	10	10
Total	100	100	100	100	100	100	100	100	100

**Table 1.7: Viewing by Program Origin and Genre
1998/99, 2000/01 and 2002/03 Broadcast Years
All Persons 2+, 6 a.m. to 6 a.m.
Nielsen Media Research Metered Data**

	Percentage of Average Weekly Viewing Hours (%)					
	1998/99		2000/01		2002/03	
	Program Origin					
	Canadian	Foreign	Canadian	Foreign	Canadian	Foreign
English-Language Television - Canadian and Foreign Services						
News / Anal.& Interp.	69	31	72	28	68	32
Long-Form Doc.	28	72	31	69	30	70
Sports	54	46	67	33	62	38
Drama / Comedy	13	87	13	87	14	86
Music/Dance & Variety	39	61	45	55	44	56
Other	23	77	23	77	18	82
Total	31	69	33	67	32	68
English-Language Television - Canadian Services						
News / Anal.& Interp.	95	5	95	5	97	3
Long-Form Doc.	58	42	58	42	58	42
Sports	66	34	83	17	74	26
Drama / Comedy	18	82	18	82	18	82
Music/Dance & Variety	55	45	56	44	54	46
Other	35	65	32	68	30	70
Total	45	55	46	54	44	56
French-Language Television - Canadian Services						
News / Anal.& Interp.	98	2	98	2	98	2
Long-Form Doc.	58	42	61	39	57	43
Sports	69	31	77	23	72	28
Drama / Comedy	32	68	28	72	32	68
Music/Dance & Variety	97	3	90	10	95	5
Other	92	8	93	7	91	9
Total	69	31	65	35	66	34

D. Competitive Disputes

The Broadcasting Directorate's Competitive Disputes Team was created in 2000 to more effectively process and resolve disputes in the increasingly competitive broadcasting industry. The process and procedures used for resolving competitive and access disputes are outlined in *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000 (Public Notice 2000-65).

Disputes can generally be categorized as follows: (1) disputes between broadcasting distributors and the programming services that they distribute over the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and the end-user; and (3) disputes between programmers regarding programming rights and markets served.

The Commission employs alternative dispute resolution techniques, such as fact-finding meetings, mediation and staff opinions to attempt to break deadlocks and assist disputing parties to directly resolve their disputes. When these techniques are insufficient, the Commission can determine on disputes by way of “final-offer” arbitration (under section 15 of the *Broadcasting Distribution Regulations* (BDU Regulations)) or by way of decisions involving allegations of undue preference or disadvantage (eg. under section 9 of the *BDU Regulations*).

“Final offers” selection processes are typically conducted on a confidential basis both to permit candour on the part of the parties and to take into account that the matters in dispute often involve commercially sensitive information for which the harm which could result from disclosure outweighs the public interest in disclosure.

In disputes that come before the Commission as allegations of undue preference or disadvantage by a party or parties vis-à-vis the actions of another party or parties, the complainant seeks a Commission ruling that the alleged preference or disadvantage has material and serious consequences that are contrary to the public interest for the complainant and/or the Canadian broadcasting system. Files involving such matters are generally immediately placed on a public file.

1. Number and Complexity of Disputes

In Public Notice 2000-65, the Commission noted that parties would be expected to have attempted to resolve their differences through private, third party mediation, bilateral negotiations or some other means before the Commission would be prepared to deal with the dispute. The intent of the Framework was to use the Commission as a last recourse if the parties proved unable, despite bona fide efforts, to achieve resolution on their own.

During the period of 1 April 2003 to 31 March 2004, the Commission processed 20 new disputes. The majority of these files, whether alleging undue preference or disadvantage or seeking staff assistance/Commission determinations, raised multiple issues and many involved multiple sets of facts. Overall, the complexity of submitted files is rising and most disputes now include “policy” components, both of which are factors that are not conducive to expedited processing by way of alternative dispute resolution techniques.

Table 1.8 compares the last three years’ experience in the time taken to resolve disputes⁵. While undue preference files do not show great variance year over year, dispute resolution files under sections 12 to 15 of the BDU Regulations are now generally taking as long as undue preference files to complete.

Of the 20 files processed between 1 April 2003 and 31 March 2004, 10 were undue preference files under section 9 of the BDU Regulations and 10 were sections 12 to 15 of the BDU Regulations. Of these 20 files, 7 involved wholesale rates, 5 related to building access matters and the balance covered a wide range of issues including channel placement and programming rights-related issues. To the end of the period under review,

⁵ Files commenced in one year but concluded in another, are included in the calculation for the year of commencement.

resolution had been achieved in only 5 of the 20 submitted cases with the balance still ongoing. Many of these files have been suspended, at the request of the parties, for various periods of time in order to permit the parties to resume negotiations.

Table 1.8: Fiscal Year Comparisons of the Average Number of Days to Resolve Disputes

Disputes	2001/02	2002/03	2003/04
All	114	180	156
Undue Preference	169	190	146
Sections 12 to 15	58	177	163

April 1st to March 31st

It should be noted that for disputes pursuant to sections 12 to 15 under the BDU Regulations, the average completion time was increased by several lengthy "final offer" files brought to the Commission for determination. On the other hand, sections 12 to 15 disputes that did not require a Commission determination were concluded in an average of 64 days.

2. Call for Comments on Ensuring Good Commercial Practices in Negotiations

In *Call for comments on possible requirements for the provision of notice to programming services by distributors of their plans to change packages*, Broadcasting Public Notice CRTC 2004-64, 25 August 2004, the Commission sought comments from interested parties with respect to the need for and, if so, the measures that may be required to ensure that negotiations between distributors and programmers are conducted in accordance with good commercial practices.

The Commission stated that the commercial arrangements between distributors and programmers should best be determined by negotiations between the parties. However, certain recent disputes led it to believe that the negotiation process between parties was not consistently characterized by good commercial relations. It also expressed its view that good commercial relations were essential to allow parties to fulfil their respective responsibilities under the Act.

Accordingly, comments were sought on the need for, and kinds of, new measures that may be required to reach that goal, as well as comments on how any such measures could best interface with the Commission's existing methods of dealing with disputes.

II. Radio

A. Number of Commercial Radio Stations in Canada

- The following table lists the number of commercial, over-the-air, AM and FM radio stations licensed to operate in Canada. These figures are based on the number of licences on file at 19 April 2004.

Table 2.1: Number of Commercial Radio Stations in Canada

	AM				FM				Total			
	English	French	Ethnic	Total	English	French	Ethnic	Total	English	French	Ethnic	Total
Nfld. & Lab. Prince Edward Island	11	-	-	11	7	-	-	7	18	-	-	18
Nova Scotia	2	-	-	2	2	-	-	2	4	-	-	4
New Brunswick	9	-	-	9	13	-	-	13	22	-	-	22
Quebec	4	1	-	5	16	3	-	19	20	4	-	24
Ontario	4	17	2	23	3	74	-	77	7	91	2	100
Manitoba	47	-	4	51	112	3	5	120	159	3	9	171
Saskatchewan	13	-	1	14	15	-	-	15	28	-	1	29
Alberta	18	-	-	18	21	-	-	21	39	-	-	39
BC & Territories	26	-	-	26	46	-	2	48	72	-	2	74
	38	-	2	40	63	-	1	64	101	-	3	104
<i>Sub-total</i>	172	18	9	199	298	80	8	386	470	98	17	585
Networks	14	5	-	19	12	6	-	18	26	11	-	37
TOTAL	186	23	9	218	310	86	8	404	496	109	17	622

Excludes digital radio

Source: CRTC APP 1205 Report (19 April 2004)

B. Transitional Digital Radio

- The Commission issued *A Policy to Govern the Introduction of Digital Radio*, Public Notice CRTC 1995-184, on 29 October 1995.
- As of 19 April 2004, 76 licences for transitional digital radio programming undertakings have been granted. Of these licences, 57 have been issued to existing commercial radio programming undertakings, 1 to a stand-alone ethnic radio programming undertaking and 18 to existing CBC stations.

Table 2.2: Markets with Transitional Digital Radio Stations in Canada⁽¹⁾

Market/Province ⁽²⁾	Commercial			CBC English		CBC French		Total
	English	French	Ethnic	Radio One	Radio Two	Première chaîne	Espace musique	
Chilliwack, B.C.	1	-	-	-	-	-	-	1
Vancouver, B.C.	8	-	-	1	1	1	1	12
Victoria, B.C.	2	-	-	-	-	-	-	2
Montréal, Qc.	2	6	-	1	1	1	1	12
Ottawa/Gatineau, Ont./Qc.	8	3	-	1	1	1	1	15
Toronto, Ont.	17	-	7	1	1	1	1	28
Windsor, Ont.	4	-	-	1	1	-	-	6
All Canada	42	9	7	5	5	4	4	
		58				18		76

(1) Numbers of stations approved but not necessarily on air.

(2) Based on BBM Radio Markets

Includes stand-alone ethnic digital radio station located in Toronto

Source: CRTC APP 1205 report (19 April 2004)

C. Radio Tuning Trends

- The purpose of Tables 2.3, 2.4 and 2.5 is to monitor the on-going use of radio by Canadians.

Table 2.3: Per Capita Listening Hours by Age Group
Average Weekly Hours Tuned per Capita
BBM Fall 2003 – All Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.

	All Persons 12+	Teens 12-17	Adults					
			18-24	25-34	35-49	50-54	55-64	65+
1999	20.5	11.3	17.3	21.3	21.6	21.6	23.2	22.7
2000	20.3	10.5	18.1	20.6	21.8	21.9	22.8	22.4
2001	20.1	10.1	17.3	20.5	21.6	21.6	22.7	22.3
2002	20.2	9.4	16.7	20.1	21.7	22.3	23.1	22.8
2003	19.5	8.5	16.3	19.3	21.3	21.8	21.9	22.3

Source: BBM Canada 2003-2004 Radio Data Book

- Weekly listening levels by teens in the 12-17 demographic continue to decline, reaching 8.5 hours per capita in 2003.
- The following tables and charts outline the percentage of hours tuned to radio in an average week during the BBM fall surveys of 1997 to 2003. Table 2.4 and Chart 2.1 provide the percentage of hours tuned over the entire broadcast day while Table 2.5 and Chart 2.2 set out the percentage of hours tuned between 6 a.m. and 6 p.m.

**Table 2.4: Radio Tuning Share in an Average Week – 5 a.m. to 1 a.m.
BBM Fall – All Persons 12+ – Monday to Sunday**

	Percentage of Hours Tuned							Growth 97 to 03
	1997	1998	1999	2000	2001	2002	2003	
AM English	27.7	25.1	24.5	23.8	23.7	22.6	22.2	(5.6)
AM French	5.7	4.4	3.8	3.0	2.9	2.7	2.4	(3.3)
FM English	45.2	48.7	49.2	50.3	50.1	51.1	52.1	6.9
FM French	15.4	16.5	16.9	17.4	17.7	18.4	18.4	3.0
Other	6.0	5.3	5.6	5.5	5.6	5.2	4.9	(1.1)
Total	100	100	100	100	100	100	100	
Total Average Weekly Hours (000,000)	516.6	552.8	544.6	531.8	532.9	540.5	529.6	13.1

Note: "Other" is principally over-the-air tuning to U.S. border stations.
Source: BBM Fall 1997 to Fall 2003

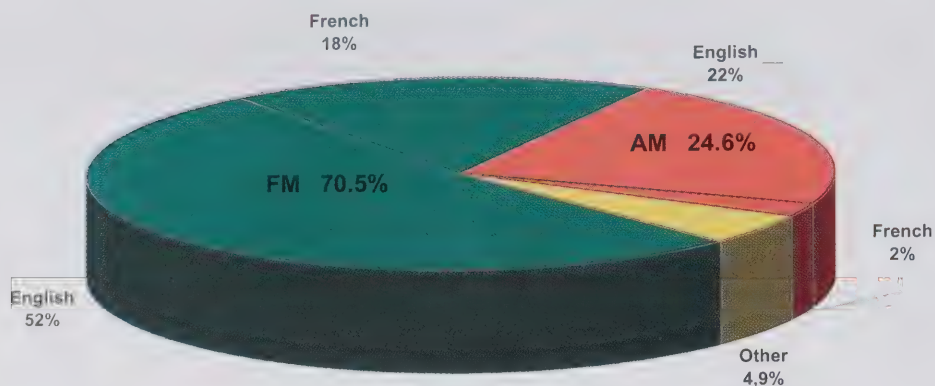
**Table 2.5: Radio Tuning Share in an Average Week - 6 a.m. to 6 p.m.
BBM Fall – All Persons 12+ – Monday to Sunday**

	Percentage of Hours Tuned							Growth 97 to 03
	1997	1998	1999	2000	2001	2002	2003	
AM English	28.3	25.7	25.1	24.2	23.8	22.9	22.3	(6.0)
AM French	5.9	4.6	3.9	3.1	2.8	2.7	2.4	(3.6)
FM English	44.5	47.9	48.5	49.8	49.7	50.6	51.7	7.2
FM French	15.9	17.0	17.3	17.9	18.4	18.9	19.0	3.2
Other	5.4	4.8	5.2	5.1	5.3	4.8	4.6	(0.8)
Total	100	100	100	100	100	100	100	
Total Average Weekly Hours (000,000)	422.8	454.5	445.5	434.7	434.9	442.2	435.6	12.8

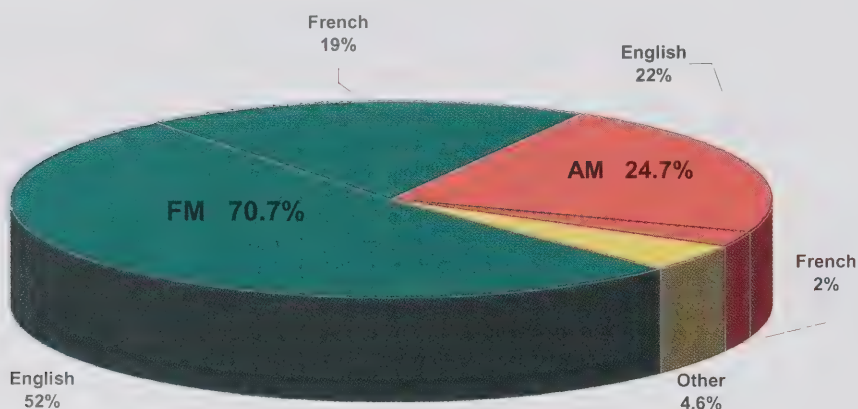
Note: "Other" is principally over-the-air tuning to U.S. border stations
Source: BBM Fall 1997 to Fall 2003

- The total average weekly hours tuned to radio, both over the entire broadcast day and between 6 a.m. to 6 p.m., have remained relatively stable since 1997.
- The following pie charts are based on Tables 2.4 and 2.5 and serve to demonstrate the dominance of FM radio in both the English and French-language markets.

**Chart 2.1: Average Weekly Tuning Share,
5 a.m. to 1 a.m., BBM Fall 2003**



**Chart 2.2: Average Weekly Tuning Share,
6 a.m. to 6 p.m., BBM Fall 2003**



- According to the 2003-04 BBM Radio Data Book (5 a.m. to 1 a.m., Monday to Sunday):
 - 93.2% of Canadians aged 12 and over listened to the radio for at least 15 minutes per week in Fall 2003, as compared to 94% in 1998.
 - In Fall 2003, the average hours tuned per listener was 21 hours per week – a three-quarter-hour drop from the previous year's 21.7 hours per week.
 - In Fall 2003, the average hours tuned per capita dropped from the 20.2 hours per week range to 19.5 hours per week.

D. Ownership

- In revising its ownership policy in *the Commercial Radio Policy*, the Commission focussed on developing a model that would allow for some measure of consolidation, while taking into account its general concerns for preserving a diversity of news voices and maintaining competition.
- Tables 2.6 through 2.11 monitor ownership consolidation in the radio industry providing revenue and tuning information for the largest radio operators.

1. Total Hours Tuned to the Largest Private Commercial Radio Operators

Table 2.6: Tuning to the Ten Largest Radio Operators⁽¹⁾

Corporation	Listening Hours (000) BBM Fall			Share of National Tuning		
	2001	2002	2003	2001	2002	2003
Corus Entertainment Inc.	89,397	83,493	83,785	17%	15%	16%
Standard Broadcasting Corporation Limited	36,115	66,010	64,496	7%	12%	12%
Rogers Communications Inc.	44,958	49,934	51,098	8%	9%	10%
Astral Media inc.	18,647	55,805	50,033	3%	10%	9%
CHUM Limited	36,169	36,441	34,581	7%	7%	7%
Newcap Inc.	15,565	16,161	20,052	3%	3%	4%
Jim Pattison Industries Ltd.	10,559	12,257	11,164	2%	2%	2%
Maritime Broadcasting System Limited	-	10,352	8,935	-	2%	2%
Cogeco Inc.	10,203	10,881	8,943	2%	2%	2%
Caineco Limited	-	8,248	7,173	-	2%	1%
Télémedia Inc.	59,667	-	-	11%	-	-
Radiomédia Inc.	9,621	-	-	2%	-	-
Total	330,901	349,582	340,260	62%	65%	64%
Total Canadian Private Commercial Radio⁽²⁾	439,870	441,952	434,153	83%	82%	82%
Total All Radio⁽³⁾	532,915	540,463	529,647	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.

(2) Listening hours includes tuning to private commercial multilingual and native stations.

(3) Listening hours includes tuning to public and private Canadian and U.S. stations.

Sources: CRTC Internal Report "Ownership August 2003"; BBM Fall 2001 to 2003 surveys, 5am to 1am, all persons 12+; and CRTC Financial Database

- The tuning share of the 10 largest radio groups has risen considerably between 1998 and 2003, from 53% to 64%.

Table 2.7: Tuning to the Two Largest French-Language Radio Operators, BBM Fall 2002 and 2003 Surveys⁽¹⁾

Corporation	Listening Hours (000) BBM Fall		Share of Tuning to French- Language Radio	
	2002	2003	2002	2003
Astral Media inc.	52,877	47,381	46%	43%
Corus Entertainment Inc.	13,983	13,909	12%	13%
Total	66,860	61,290	59%	56%
Total Canadian French-Language Radio ⁽²⁾	113,864	110,177	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.

(2) Listening hours include tuning to public and private Canadian French-language stations.

Sources: CRTC Internal Report "Ownership August 2003"; BBM Fall 2002 to 2003 surveys, 5am to 1am, all persons 12+ ; and CRTC Financial Database

- Astral Media Inc. garnered 43% of the hours tuned to French-language radio in 2003 and 59% of French language radio revenues.

Table 2.8: Tuning to the Five Largest English-Language Radio Operators, BBM Fall 2002 and 2003 Surveys⁽¹⁾

Corporation	Listening Hours (000) BBM Fall		Share of Tuning to English- Language Radio	
	2002	2003	2002	2003
Corus Entertainment Inc.	69,510	69,876	17%	18%
Standard Broadcasting Corporation Limited	66,010	64,496	17%	16%
Rogers Communications Inc.	49,934	51,098	13%	13%
CHUM Limited	36,441	34,581	9%	9%
Newcap Inc.	16,161	20,052	4%	5%
Total	238,056	240,103	60%	61%
Total Canadian English-Language Radio (2)	398,401	393,385	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.

(2) Listening hours include tuning to public and private Canadian English-language stations.

Sources: CRTC Internal Report "Ownership August 2003"; BBM Fall 2002 to 2003 surveys, 5am to 1am, all persons 12+; and CRTC Financial Database

2. Revenues of the Top Private Commercial Radio Ownership Groups

Table 2.9: Ten Largest Radio Operators Radio Revenue⁽¹⁾

Corporation	Number of Radio Undertakings Reporting			Radio Revenue (\$ 000)			Share of National Revenue (%)		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
Corus Entertainment Inc.	49	52	50	199,002	198,245	210,529	19%	18%	18%
Standard Broadcasting Corporation Limited	12	50	51	92,385	153,984	164,966	9%	14%	14%
Rogers Communications Inc.	29	42	43	132,905	156,140	158,264	12%	14%	13%
Astral Media inc.	15	36	36	47,262	115,201	126,627	4%	10%	11%
CHUM Limited	29	29	30	108,435	110,283	116,968	10%	10%	10%
Newcap Inc.	24	39	41	33,833	45,880	55,509	3%	4%	5%
Jim Pattison Industries Ltd.	19	19	18	27,916	29,116	33,365	3%	3%	3%
Rawlco Radio Ltd.	-	12	12	-	22,019	27,020	-	2%	2%
Elmer Hildebrand (Golden West Broadcasting)	19	21	21	20,968	22,066	25,221	2%	2%	2%
Maritime Broadcasting System Limited	21	21	21	24,044	22,685	23,593	2%	2%	2%
Télémedia Inc.	81	-	-	136,256	-	-	13%	-	-
TOTAL	298	321	323	823,006	875,619	942,062	77%	79%	79%
TOTAL Canada (Private Radio Revenues)	514	528	532	1,069,267	1,103,329	1,189,483	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.

Includes private commercial networks and commercial ethnic radio stations.

Sources: CRTC Internal Report "Ownership August 2003" and CRTC Financial Database

- The number of programming undertakings owned by the top 10 radio operators and their share of national revenue continues to rise, from 148 and 61% respectively in 1998 to 325 and 79% in 2003.

Table 2.10: Radio Revenues of the Two Largest French-Language Radio Operators⁽¹⁾

Corporation	Number of Radio Undertakings Reporting			Radio Revenue (\$ 000)			Share of French Radio Revenue		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
Astral Media inc.	15	27	27	47,262	107,210	117,281	28%	60%	59%
Corus Entertainment Inc.	10	10	10	28,648	24,638	28,657	17%	14%	14%
Télémedia Inc.	9	-	-	40,971	-	-	24%	-	-
Total	34	37	37	116,881	131,848	145,938	68%	73%	73%
Total Private Commercial French Radio	87	88	87	171,117	180,143	198,913	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" following Table 2.11.

Includes network radio revenues.

Sources: CRTC Internal Report "Ownership August 2003" and CRTC Financial Database

Table 2.11: Radio Revenues of the Five Largest English-Language Radio Operators⁽¹⁾

Corporation	Number of Radio Undertakings Reporting			Radio Revenue (\$ 000)			Share of English Radio Revenue		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
Corus Entertainment Inc.	39	42	40	170,354	173,607	181,872	20%	19%	18%
Standard Broadcasting Corporation Limited	12	50	51	92,385	153,984	164,966	11%	17%	17%
Rogers Communications Inc.	29	42	43	132,905	156,140	158,264	15%	17%	16%
CHUM Limited	29	29	30	108,435	110,283	116,698	12%	12%	12%
Newcap Inc.		39	41	-	45,880	55,509	-	5%	6%
Télémedia Inc.	72	-	-	95,286	-	-	11%	-	-
Total	181	202	205	599,365	639,894	677,309	69%	72%	69%
Total English Radio	412	427	432	867,847	893,417	990,569	100%	100%	100%

(1) Refer to "Notes to Tables 2.6 to 2.11" below.

Includes private commercial network and ethnic radio station revenues.

Sources: CRTC Internal Report "Ownership August 2003" and CRTC Financial Database

Notes to Tables 2.6 to 2.11:

- A dash (-) indicates that a company was not in the top 10 in a given year.
- The ownership structure reflects the licensees' filing of annual returns at 31 August of each year. Ownership transactions not taking effect until after 31 August are not reflected until the following year. In such cases, the station's entire year's revenue is reflected under the owner as of 31 August.
- 2001 and 2002 results have been restated to reflect current data on file.
- Corus acquired control of Métromédia CMR Broadcasting Inc. in 2001; Sale of CKDO and CKGE-FM to Durham Radio reflected in 2003.
- Standard acquired 4 stations from Craig Broadcasting Systems and 64 stations plus 3 networks from Télémedia in 2002. Of these, Standard sold 13 stations and one network to Rogers and 15 stations to Newcap in 2002. 2003 results include the new CIQK-FM Calgary station.
- Rogers acquired 13 stations and one network from Standard in 2002.
- Astral's results for 2002 and 2003 reflect the transaction that was approved pursuant to Broadcasting Decision CRTC 2002-90, the acquisition of assets from Télémedia; during 2002 and 2003 nine Astral stations were held in trust pending their sale: CKRS, CJRC, CHLN, CHLT, CKSM, CKTS, CKAC, CHRC and CFOM-FM (Acquisition of radio assets in Quebec, Broadcasting Decision CRTC 2003-205, 2 July 2003).
- CHUM acquired CKLY-FM from Centario Communications Inc. in 2001; acquired CKST from Grand Slam Radio Inc in 2003.
- Newcap acquired 15 stations from Standard in 2002; 2003 results include the new CIHT-FM Ottawa station.
- Jim Pattison Industries acquired the radio stations of Monarch Broadcasting Ltd. in 2001; In 2003, the AM station in MacKenzie was replaced with a rebroadcasting transmitter of the Prince George station.
- Elmer Hildebrand (Golden West Broadcasting): 2002 results include new Estevan and Moose Jaw FM stations.

E. Financial Performance – Promoting a Financially Sound Sector

- One of the Commission's objectives in developing the Commercial Radio Policy was to ensure a strong, well-financed radio industry that is able to achieve its obligations under the Broadcasting Act.

1. Commercial Radio Revenues

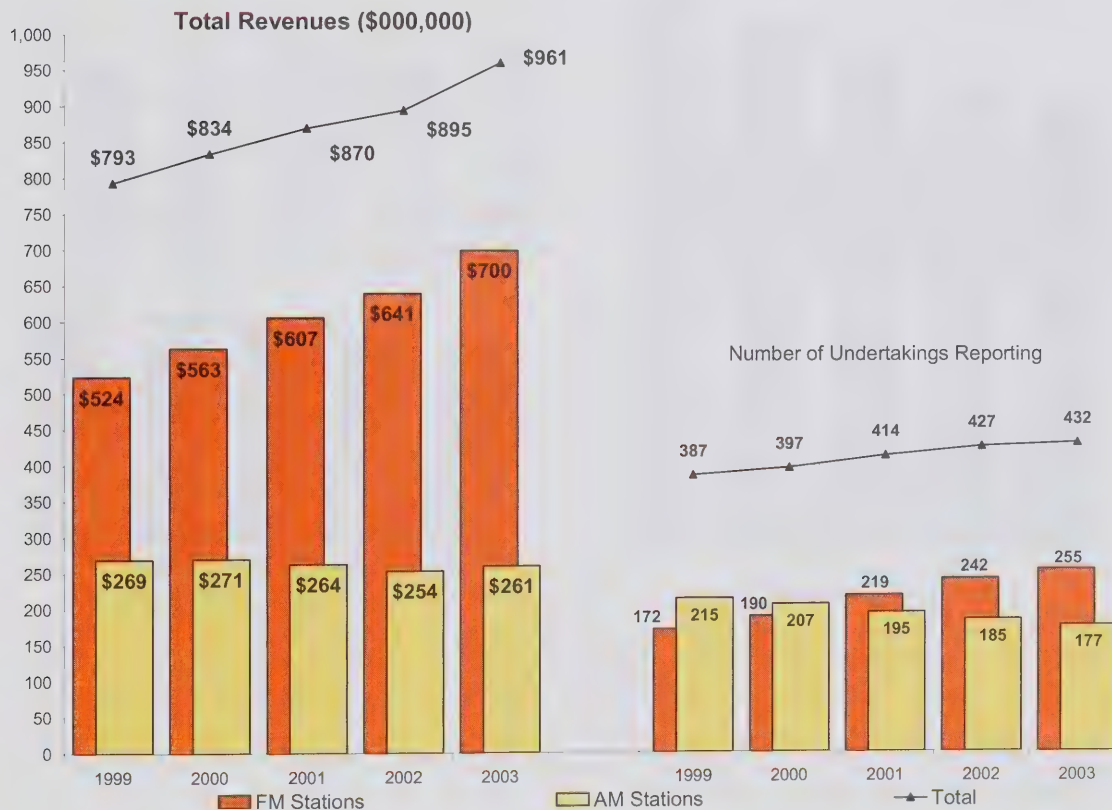
Table 2.12: Revenues – Commercial Radio – 1999 to 2003

(\$ 000)	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	487	496	514	528	532
AM Stations	314,391	315,119	306,788	298,713	306,253
FM Stations	660,328	710,476	762,479	804,617	883,229
Total	974,720	1,025,595	1,069,267	1,103,329	1,189,483
% Annual Inc/Dec		5%	4%	3%	8%

Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.

Source: CRTC Financial Database (FDB1 Report run March 2004)

Chart 2.3: Revenues – English-Language Commercial Radio Stations

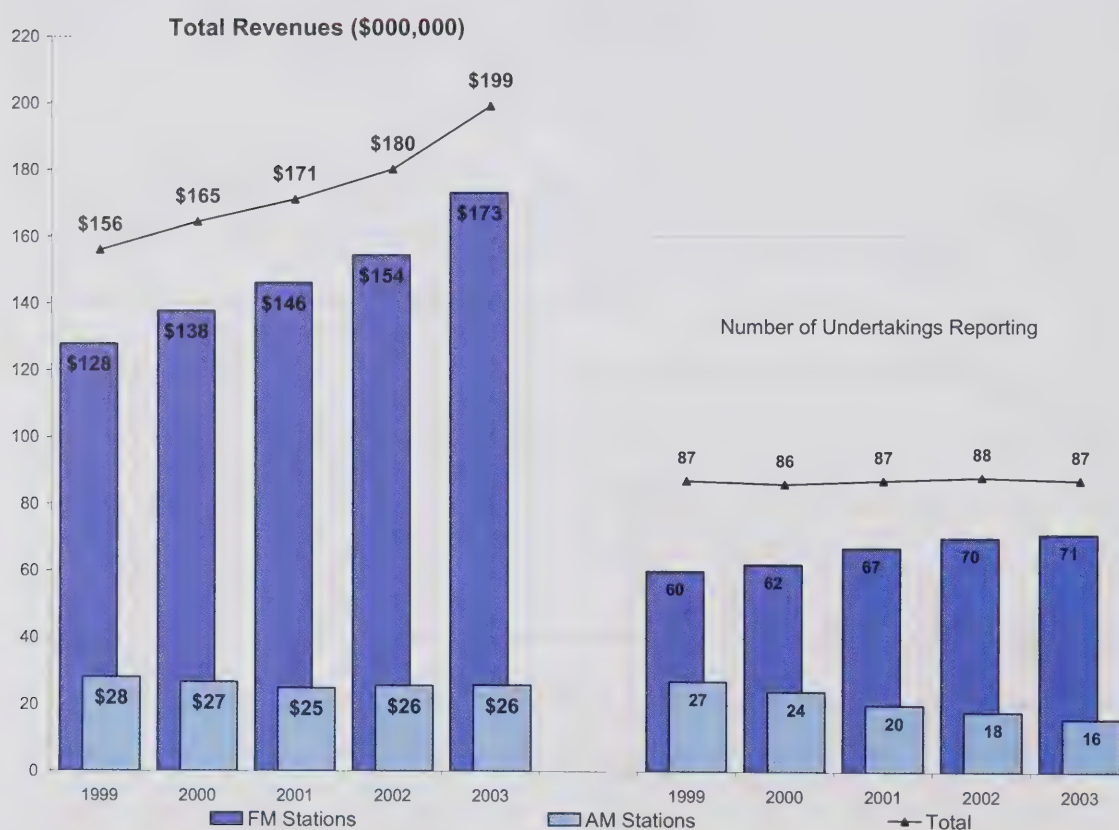


Note: Includes network results; Excludes ethnic stations; 1999 to 2002 figures have been updated to reflect current aggregate results.

Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

- English-language FM radio revenues increased 9.3% from 2002 to 2003. Revenues have increased by an average of 7.5% per year over the past four years.
- English-language AM radio revenues increased 2.6% from 2002 to 2003. Over the last four years, revenues decreased by an average of 0.8% per year.
- Combined English-language AM and FM radio revenues increased 7.4% from 2002 to 2003. This represents an average annual increase of 4.9% over the past four years.
- The number of English-language radio stations continues to increase annually. Roughly 60% of the new FM stations reporting in 2003 were by licensees converting their AM frequencies to FM frequencies.

Chart 2.4: Revenues – French-Language Commercial Radio Stations (\$'000,000)

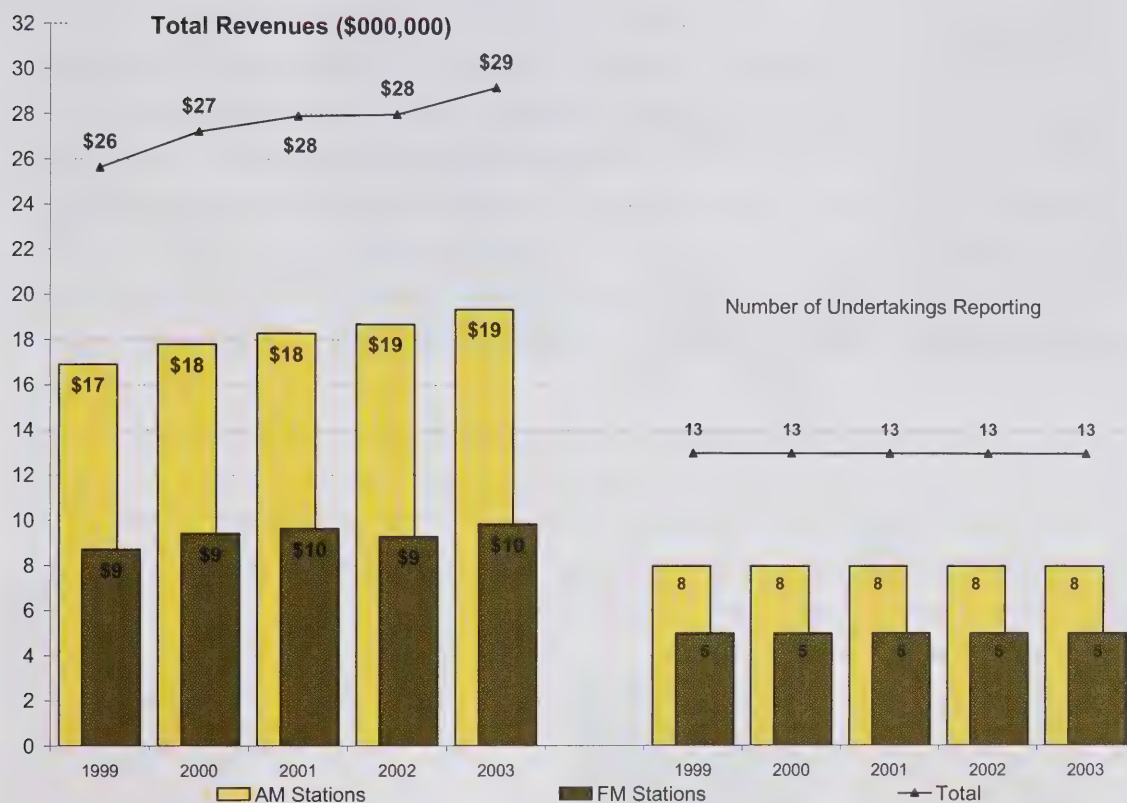


Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

- Total revenues for French-language FM radio increased 12% from 2002 to 2003. Revenues have increased by an average of 7.8% per year over the past four years.
- Total revenues for French-language AM radio increased 0.8% from 2002 to 2003. Over the last four years, revenues decreased by an average of 2.1% per year.

- Overall, total revenues for French-language radio increased by 10.4% from 2002 to 2003. This represents an average annual increase of 6.2% over the past four years.
- French-language AM radio continues to see a steady decline in the number of stations, decreasing from 18 in 2002 to 16 in 2003.

Chart 2.5: Revenues – Ethnic Commercial Radio Stations (\$'000,000)



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results. In previous Broadcasting Policy & Monitoring Reports, the revenues of private commercial ethnic radio stations were combined with total English-language revenues.
Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

- Ethnic radio stations derive approximately 95% of their advertising revenues from local sources compared to 76% for English and French-language stations.
- Total revenues for ethnic radio increased 4.3% from 2002 to 2003. Revenues have increased by an average of 3.3% per year over the past 4 years.

2. Profits before Interest and Taxes (PBIT) Margins

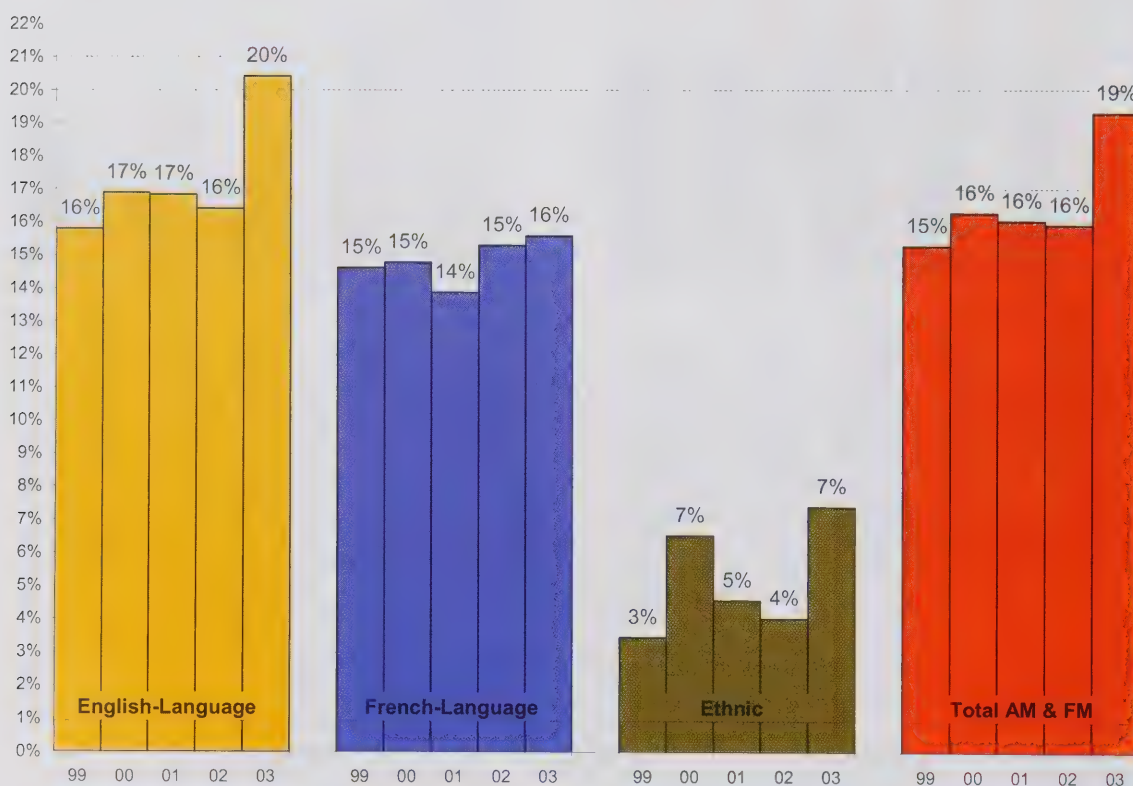
Table 2.13: Commercial Radio PBIT in Canada 1999 to 2003

(\$ 000)	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	487	496	514	528	532
PBIT (\$ 000)					
AM Stations	-16,760	-15,007	-16,926	-19,692	1,957
FM Stations	165,766	181,986	188,530	195,354	227,591
Total	149,006	166,979	171,604	175,663	229,548
% Annual Inc/Dec	12%	3%	2%	31%	
PBIT Margin					
AM Stations	-5.3%	-4.8%	-5.5%	-6.6%	0.6%
FM Stations	25.1%	25.6%	24.7%	24.3%	25.8%
Total	15.3%	16.3%	16.1%	15.9%	19.3%

Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.

Source: CRTC Financial Database (FDB1 Rpt. Run March 2004)

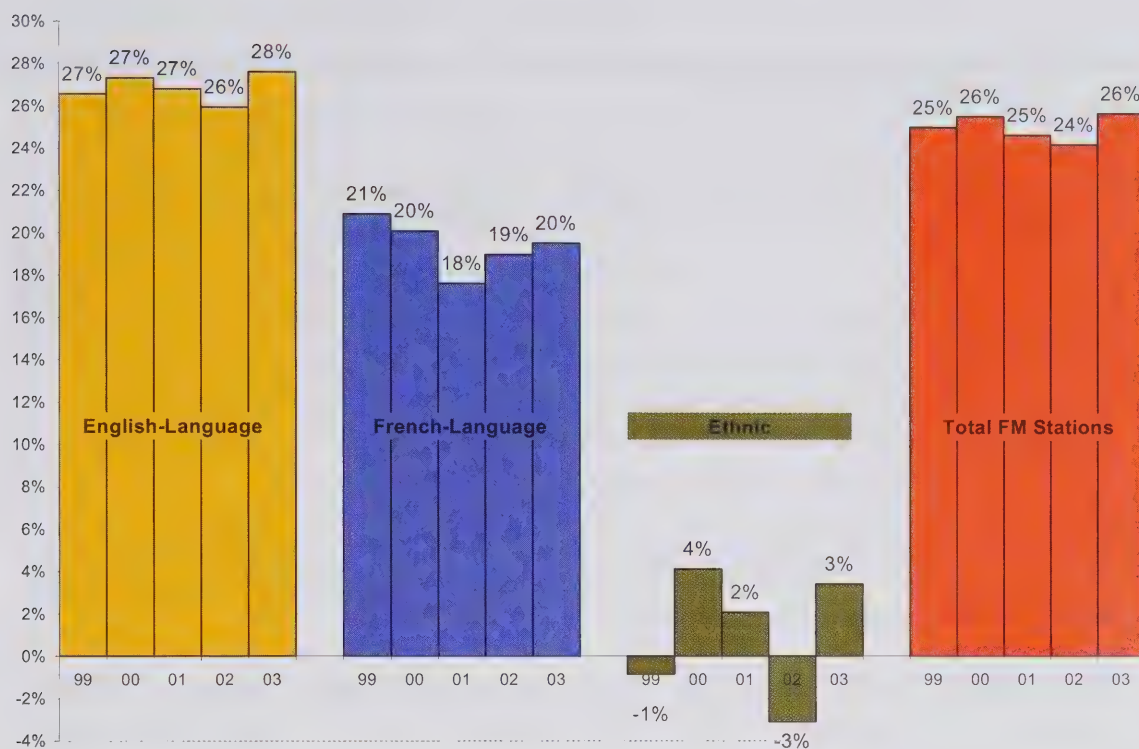
Chart 2.6: PBIT Margins – Commercial AM & FM Radio Stations



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.

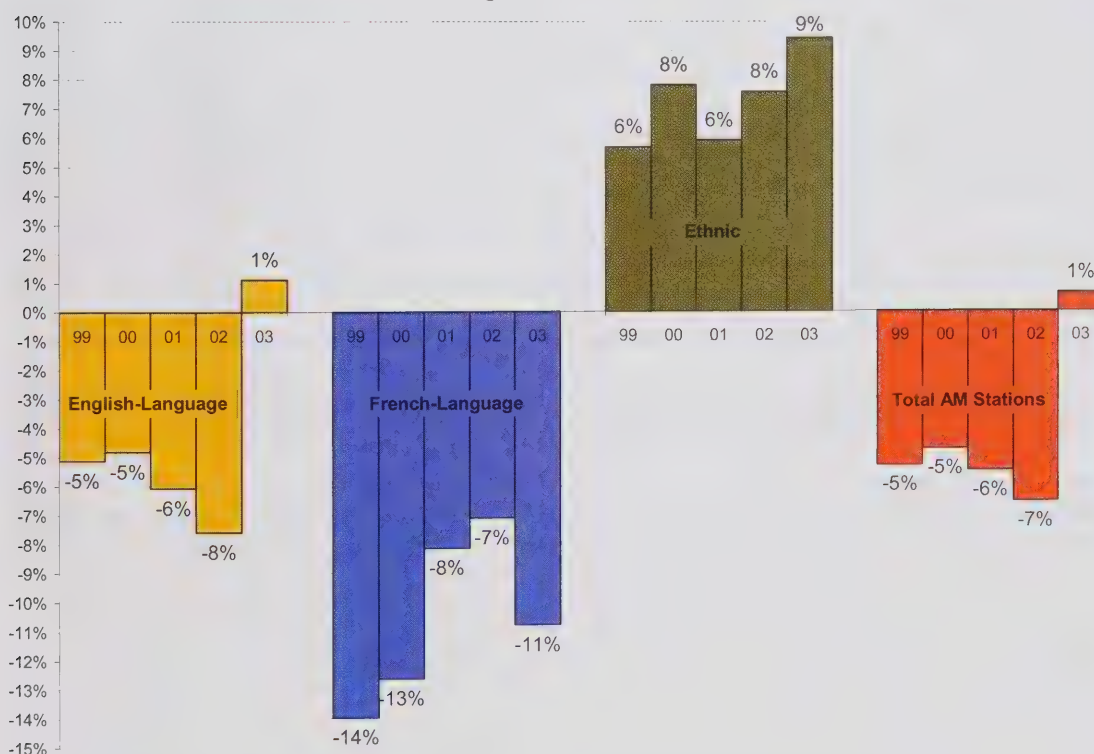
Source: CRTC Financial Database (FDB 1 Rpt. Run March 2004)

Chart 2.7: PBIT Margins – Commercial FM Radio Stations



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB 1 Rpt. Run March 2004)

Chart 2.8: PBIT Margins – Commercial AM Radio Stations



Note: Includes network results; 1999 to 2002 figures have been updated to reflect current aggregate results.
Source: CRTC Financial Database (FDB 1 Rpt. Run March 2004)

3. Number of AM to FM Frequency Conversions

- The following table shows the number of AM to FM conversions approved by the Commission from 1998 to 2003.

Table 2.14: Number of AM to FM Conversions per Calendar Year

	1998	1999	2000	2001	2002	2003
Number of AM to FM conversions	12	13	8	19	9	9

Source: CRTC Decisions (Jan 1 to Dec 31)

4. Jointly Operated & Stand-Alone AM Stations

- Many AM stations are jointly operated with at least one other FM station in their market. When viewed as a combined entity these joint operations, both English-language and French-language, are profitable.
- Stand-alone English-language AM stations are also profitable, achieving a 14% PBIT margin in 2003, compared to the 1% achieved by all English-language AM stations.

Table 2.15: Jointly Operated & Stand-Alone AM Stations

(in Canada)	2000	2001	2002	2003
ENGLISH RADIO				
- # of English AM stations	211	202	180	172
- # of English AM stations jointly operated with at least one other FM station	134	137	110	123
- % of English AM stations jointly operated with other stations	64%	68%	61%	72%
Average PBIT margin for the combined AM/FM results	18%	18%	21%	22%
- # of English AM stand-alone stations	77	65	70	49
Average PBIT margin of the stand-alone AM stations	12%	11%	11%	14%
FRENCH RADIO				
- # of French AM stations	22	20	17	15
- # of French AM stations jointly operated with at least one other FM station	9	8	6	6
- % of French AM stations jointly operated with other stations	41%	40%	35%	40%
Average PBIT margin for the combined AM/FM results	21%	17%	3%	23%
- # of French AM stand-alone stations	13	12	11	9
Average PBIT margin of the stand-alone AM stations	-26%	-15%	2%	-2%

Excludes native, ethnic & network stations

Source: CRTC Financial Database (run April 2004)

F. Competitive Licensing

- In the *Commercial Radio Policy*, the Commission determined that in order to encourage competition and choice it would no longer apply the criteria¹ outlined in the *Radio Market Policy*, Public Notice CRTC 1991-74, 23 July 1991. The elimination of the *Radio Market Policy* combined with the revised common ownership policy has resulted in numerous competitive processes for new FM stations in markets across Canada.
- In Decision CRTC 99-480, 28 October 1999, the Commission outlined the factors that will generally be among those relevant to the evaluation of competitive applications. Decision 99-480 also noted that the relative weight and significance of the factors would vary depending on the specific circumstances of the market concerned.
- The following table reveals the factors that were noted in the Commission's decisions as contributing to the success of competitive applications since the introduction of the *Commercial Radio Policy*.

¹ The *Radio Market Policy* set out the procedures and criteria to be followed when processing applications for conventional, commercial AM and FM undertakings.

Table 2.16: Factors Contributing to Successful Applications for Radio Licences Considered in Competitive Processes Following the 1998 Commercial Radio Policy

1998 Commercial Radio Policy					Canadian Content (%)	CTD	Business Plan	Competitive Balance	Diversity of voices
Market / Company	Decision Number	Language / Type							
Vancouver Island, B.C. (4 May 1999 PH - 5 applications considered)									
Victoria, O.K. Radio	99-480	e	C	MF, FM		✓	✓		
Victoria, Rogers	99-480	e	C	MF, FM		✓	✓		
Victoria, Seacoast	99-480	e	C	MF, FM		✓	✓	✓	
Duncan, CKAY	99-480	e	C	MF, FM			✓		
Ontario (28 June 1999 PH - 4 applications considered)									
London, CHUM Limited	99-482	e	C	MF, FM		✓	✓		
Saskatchewan / Alberta (16 November 1999 PH - 5 applications considered)									
Saskatoon, Sask., Hildebrand	2000-73	e	C	MF, FM	✓	✓	✓	✓	
Lloydminster, Alb., Peace River	2000-93	e	C	MF, FM	✓	✓	✓		✓
Ontario (6 December 1999 PH - 7 applications considered)									
Hamilton/Burlington, Kirk/Roe	2000-142	e	C	MF, FM		✓	✓		✓
Barrie, Rock 95	2000-143	e	C	MF, FM	✓	✓	✓	✓	
Belleville/Trenton, Zwig	2000-155	e	C	MF, FM			✓	✓	
Ontario, PN 2000-84 (31 January 2000 PH - 16 applications considered)									
Toronto, Milestone	2000-203	e	C	MF, FM			✓		✓
Toronto, AVR	2000-204	e/n	N	Type B, FM					✓
Toronto, PrimeTime	2000-205	e	C	MF, AM		✓	✓		✓
New Brunswick (6 March 2000 PH - 7 applications considered)									
Moncton, Maritime	2000-360	e	C	MF, FM				✓	
Moncton, Atlantic	2000-360	e	C	MF, FM			✓	✓	
Moncton, Losier	2000-361	f	C	MF, FM			✓		✓
Saint-John, NBBC	2000-362	e	C	MF, FM				✓	
St. Stephen, NBBC	2000-363	e	C	MF, FM				✓	
Ontario (9 May 2000 PH - 3 applications considered)									
Kingston, Wright	2000-392	e	C	MF, FM		✓	✓		✓
Alberta (30 October 2000 PH - 6 applications considered)									
Calgary, Standard	2001-172	e	C	MF, FM	✓		✓	✓	
Calgary, Telemedia	2001-172	e	C	SpMF(NAC/Jazz) FM	✓		✓		✓
Calgary, AVR	2001-172	e/n	N	Type B, FM					✓
British Columbia, PN 2001-63 (20 November 2000 PH - 17 applications considered)									
Vancouver, Focus	2001-312	e	C	MF, FM		✓	✓		✓
Vancouver, CBC	2001-313	f	NC	SRC2, FM					✓
Vancouver, AVR	2001-314	e/n	N	Type B, FM					✓
Burnaby, SFU Community	2001-315	e	CC	FM					✓
Ontario / Québec, PN 2001-105 (22 May 2001 PH - 11 applications considered)									
Ottawa/Gatineau, Radio 1540	2001-625	o	C	Sp(Ethnic), FM		✓	✓		✓
Ottawa/Gatineau, Radio Nord	2001-626	f	C	SpMF(Classical) FM	✓	✓	✓		✓
Ottawa/Gatineau, AVR	2001-627	e/n	N	Type B, FM					✓
Ottawa/Gatineau, Newcap	2001-628	e	C	MF, FM	✓	✓	✓		✓

Table 2.16 (Continued)

Market / Company	Decision Number	Language / Type			Canadian Content (1)	CTD	Business Plan	Competitive Balance	Diversity of voices
Manitoba, PN 2002-41 (4 February 2002 / PH - 7 applications considered)									
Winnipeg, Global	2002-224	e	C	SpMF(Jazz) FM	✓	✓	✓		
Winnipeg, Rogers	2002-224	e	C	MF FM			✓		
Winnipeg, Radiolink	2002-225	e	C	SpMF(1920's-70's) FM			✓		
Winnipeg, HIS Broadcasting	2002-226	e	C	SpMF(Religious) FM	✓	✓			
Winnipeg, Red River Campus	2002-227	e	CI	FM		✓			
Québec (18 February 2002 PH - 4 applications considered)									
Québec, Cogéco	2002-191	f	C	MF, FM	✓	✓		✓	
Toronto, PN 2003-20 (17 September 2002 PH - 17 applications considered)									
Canadian Multicultural Radio	2003-115	o	C	Sp(Ethnic), FM	✓				✓
Coopérative radiophonique de Toronto	2003-116	f	CO	Type B FM	✓				✓
Father Hernan Astudillo	2003-117	o	CO	Type B (Ethnic) AM	✓				✓
Sur Sagar Radio Inc.	2003-118	o	C	Sp(Ethnic), Digital	✓				✓
Kitchener-Waterloo, PN 2003-25 (28 October 2002 PH - 11 applications considered)									
Global	2003-152	e	C	MF, FM	✓	✓	✓		
Larche	2003-153	e	C	MF, FM	✓	✓	✓		✓
Sound of Faith	2003-154	e	NC	Sp(Religious) FM		✓			✓
AVR (Aboriginal Voices Radio)	2003-155	e/n	N	Type B, FM					✓
Newfoundland (10 December 2002 PH - 2 applications considered)									
St. John's, Newman/Bell	200-171	e	C	MF, FM			✓		✓
Québec, PN 2003-33 (3 February 2003 PH - 25 applications considered)									
Montréal, Radio Nord	2003-192	f	C	SpMF(Jazz) FM	✓	✓	✓		✓
Laval, Lajoie/Chabot	2003-193	f	C	SpMF(40's-70's), AM			✓		✓
Montréal, Canadian Hellenic Cable Radio	2003-194	o	C	Ethnic FM					✓
Montréal, AVR	2003-195	e/f/n	N	Type B, FM					✓
Sherbrooke, Cogéco	2003-197	f	C	MF, FM	✓	✓		✓	✓
Sherbrooke, Génération Rock	2003-198	f	C	MF, FM	✓			✓	✓
Trois Rivières, Cogéco	2003-201	f	C	MF, FM	✓	✓		✓	✓
Alberta, PN 2004-23 (18 June 2003 PH - 13 applications considered)									
Red Deer, CBC	2004-116	e	NC	CBC2,FM					✓
Red Deer, Pattison	2004-117	e	C	MF, FM				✓	
Edmonton, CHUM / Milestone	2004-133	e	C	MF, FM	✓	✓	✓		
Edmonton, AVR	2004-134	e/n	N	Type B, FM					✓
Edmonton, O.K. Radio	2004-135	e	C	MF, FM	✓	✓	✓		
Edmonton, Rawlco	2004-136	e	C	SpMF(Jazz), FM	✓	✓	✓		
Total (58 stations)					23	27	32	14	34

Source: CRTC Public Notices and Decisions (noted in table)

Legend: Languages: e = English-language, f = French-language, e/n = English & Aboriginal, f/n = French & Aboriginal, O = 3rd languages (other than English, French & Aboriginal) Type: C = Commercial, NC = Non-Commercial, N = Native, CO = Community, CC = Community based Campus, CI = Campus Instructional, MF = Musical format, SpMF = Specialty music format, Flip = Conversion of existing AM radio station to FM frequency, CBC1 = English-language CBC "Radio One" format, CBC2 = English-language CBC "Radio Two" format, SRC1 = French-language CBC "La première chaîne" format, SRC2 = French-language CBC "Espace musique" format.

(1) "Canadian Content" refers to applications that proposed to exceed the minimum regulatory requirement of Canadian content.

G. Canadian Talent Development

The Commission reviews radio licensee contributions to Canadian talent development (CTD) in the following instances:

- Applications for new radio stations
- Transfers of control or ownership (benefits)
- Renewal of radio licences

1. Applications for New Radio Licences

- Since the introduction of the *Commercial Radio Policy* in 1998, the Commission has licensed 58 new radio stations through competitive processes in markets across Canada through to April 30, 2004. These successful applicants have committed over \$41 million to CTD initiatives over their initial licence terms.
- In addition, there were 99 new radio licences or AM to FM flips granted without a competitive process. These licensees committed a combined \$900 thousand towards CTD initiatives.

2. Transfers of Control or Ownership (benefits)

- As outlined in the *Commercial Radio Policy*, applicants for the transfer of ownership or control of radio stations must make commitments that represent a minimum direct financial contribution to CTD of 6% of the value of the transaction. Three percent is to be allocated to the StarMaker/RadioStar music marketing and promotion fund, two percent to either FACTOR or MusicAction and one percent at the discretion of the purchaser to other eligible CTD initiatives.
- Since the adoption of the *Commercial Radio Policy* to April 30, 2004, the Commission has approved 79 control and/or ownership transactions involving 316 radio stations.
- CTD commitments (benefits) from these transactions have totalled \$92.9 million.

Table 2.17: Value of Radio Transactions and Corresponding Transfer Benefits for the period 1 May 1998 to 30 April 2004

(\$000,000)	English-Language Services			French-Language Services			Total Benefits
	# of Trans.	Value of the Transaction*	Benefits	# of Trans.	Value of the Transaction*	Benefits	
May 1/98 to Aug. 31/98	3	9.6	0.3	0	0.0	0.0	0.3
Sep 1/98 to Aug. 31/99	17	281.1	14.8	4	5.0	0.3	15.1
Sep 1/99 to Aug. 31/00	16	386.8	23.0	4	11.4	0.7	23.7
Sep 1/00 to Aug. 31/01	11	98.7	5.7	1	110.0	6.6	12.3
Sep 1/01 to Aug. 31/02	14	458.2	27.6	2	227.0	13.6	41.2
Sep 1/02 to Aug. 31/03	2	5.5	0.0	1	0.4	0.0	0.0
Sep 1/03 to Apr. 30/04	3	3.7	0.2	1	-	-	0.2
Total	66	1,243.6	71.6	13	353.8	21.2	92.9

*Value determined by the Commission for the purpose of calculating transfer benefits.

Source: CRTC Decisions and Administrative approvals

3. Renewal of Radio Licences

- As part of their licence renewal applications, all licensees of private commercial radio stations are asked to make an annual financial commitment to CTD.
- In *Contributions by radio stations to Canadian talent development – a new approach*, Public Notice CRTC 1995-196, 17 November 1995, the Commission, in conjunction with the industry, established an approach that would ensure a minimum annual payment of \$1.8 million to eligible third parties associated with CTD.
- The following table indicates the amount of money contributed to CTD initiatives in the context of licence renewals.

Table 2.18: CTD Annual Contributions – Licence Renewals

(dollars)	1999	2000	2001	2002	2003
A. 3rd Party Contributions					
FACTOR	965,043	835,074	894,640	891,266	746,770
MusicAction	287,800	269,599	258,000	307,900	365,450
Other :					
- Music Organizations	406,588	505,888	385,373	542,954	753,376
- Performing Arts Groups	408,672	109,836	689,336	516,523	181,551
- Schools or Scholarships	137,837	124,590	122,563	105,638	129,010
- Other 3rd party contributions					164,000
Total Other	953,097	740,314	1,197,272	1,165,115	1,228,337
Total 3rd Party Contributions	2,205,940	1,844,987	2,349,912	2,364,281	2,340,557
B. Local Initiative Contributions	614,068	657,487	570,300	718,247	745,375
TOTAL – CTD Contributions	2,820,008	2,502,474	2,920,211	3,082,528	3,085,932

Source: CRTC Financial Database and Annual Returns

H. Diversity of Formats

- In the development of the *Commercial Radio Policy* the broadcasting industry submitted that an increase in consolidation in markets would lead to an increase in the diversity of formats.
- Tables 2.19 to 2.22 compare the diversity of radio formats available in a sample of markets across Canada from 2001 to 2003.
- Note that formats change frequently. The format information used in tables 2.19 to 2.22 is based on the BBM Fall market books for the respective years in conjunction with other reference material.
- Overall, the number of distinct radio formats available in the sample of markets has increased slightly since the introduction of the *Commercial Radio Policy*.

Legend to tables 2.19 to 2.22

AC	- Adult Contemporary
AOR	- Adult Oriented Radio
CHR	- Contemporary Hit Radio
MOR	- Middle of the Road
R&B	- Rhythm and Blues

Table 2.19: Formats of Market Stations for Vancouver, Kelowna, Calgary and Regina

Format of market stations	Markets											
	Vancouver			Kelowna			Calgary			Regina		
	'01	'02	'03	'01	'02	'03	'01	'02	'03	'01	'02	'03
- AC						1		1	1	2	1	1
- AC / Light Rock	1	1		1	1		1					
- AC / Soft Favourites	1	1	1									
- Adult Rock										1		
- Adult Standards			1									
- Adult Standards Nostalgia							1	1	1			
- All News	1	1	1									
- AOR	1		1									
- CBC – Radio One	1	1	1				1	1	1	1	1	1
- CBC Espace musique			1						1			
- CBC Radio Two	1	1	1				1	1	1	1	1	1
- CHR	1	1	1									
- CHR / Hot AC				1	1	1						
- CHR / Top 40							1					
- Christian Music									1			
- Classic Hits			1						1			
- Classic Rock	1	1	1				2					
- Classic/Contemporary Rock				1	1	1						
- Classic/Mainstream Rock											1	
- Classic/Today's Rock								1	1			
- Contemporary Country								1	1			
- Country	1			1			1			1		
- Country/Talk/Sports											1	1
- Ethnic	3	3	3				1	1	1			
- Full Service	1	1	1									
- Gospel							1					
- Hip Hop/R&B/Old School								1	1			
- Hot Adult Contemporary								1	1		1	1
- Hot New Country					1	1						
- Jazz								1	1			
- Modern / Alternative Rock		1										
- New Country		1	1									
- News / Talk	2			1	1	1	1	1	1			1
- News / Talk / Sports		1	1							1	1	
- Nostalgia	1	1										
- Oldies		1	1				1	1	1			
- Rock											1	1
- Sports	1	1	1				1	1	1			
- CBC – Première chaîne	1	1	1							1	1	1
- Talk & Discussion		1	1									
- True Oldies	1									1		
- Urban		1	1						1			
- Urban/Hip Hop								1				
Total number of stations	19	20	21	5	5	5	13	14	17	9	9	8
Number of distinct formats	16	18	19	5	5	5	12	14	17	8	9	8

Table 2.20: Formats of Market Stations for Sudbury, London, Toronto and Ottawa-Gatineau

Format of market stations	Markets											
	Sudbury			London			Toronto			Ottawa-Gatineau		
	'01	'02	'03	'01	'02	'03	'01	'02	'03	'01	'02	'03
- AC		1	2	1	1	1	4	2	3	1	2	2
- AC / CHR										1	1	
- AC / New & Gold										1		
- AC /Soft	1	1										
- Adult Standards							1	1	1			
- All News								1	1			
- AOR / CHR			1									
- CBC – Radio One	1	1	1	1	1	1	1	1	1	1	1	1
- CBC Espace musique	1	1	1				1	1	1	1	1	1
- CBC Radio Two	1	1	1				1	1	1	1	1	1
- CFA Specialty							2					
- CHR	1	1	1	1			2	1		1	1	1
- CHR / Dance								1	1			
- CHR / Rhythmic / Dance												1
- CHR / Rock		1										
- CHR / Top 40	1				1	1						
- Classic Hits						1						1
- Classic Rock							1	1	1	1	1	1
- Classic/Contemporary Rock	1											
- Classic/Mainstream Rock										1	1	
- Classical								1	1			
- Classical / Jazz											1	1
- Contemporary Country											1	1
- Country	1	1	1	1	1	1				1		
- Dancing Oldies							1					
- Ethnic							5	5	5			
- Gold / Oldies								1				
- Hot Adult Contemporary				1	1			2	2			
- Jazz								1	1			
- Mainstream Rock												1
- Modern / Alternative Rock				1			1					
- Modern Rock								1	1			
- News / Talk				1			3	2	2	2	2	2
- News / Talk / Sports					2	2						
- Oldies				1	1	1			1		1	1
- Oldies/Sports/Talk				1								
- Pop / Rock						1						
- Pop Rock					1							
- Religious (Gospel)	1	1	1							1	1	1
- Sports							1	1	1		1	1
- Sports Talk							1			1		
- CBC – Première chaîne	1	1	1				1	1	1	1	1	1
- True Oldies										1		
- Unforgettable Hits								1	1			
- Urban							1					
- Urban/HipHop/R&B/Reggae								1	1			
Total number of stations	10	10	10	9	9	9	27	27	27	16	17	18
Number of distinct formats	10	10	10	9	8	8	16	20	19	15	15	16

Table 2.21: Formats of Market Stations for Montréal, Québec and Saguenay

Format of market stations	Markets											
	Montréal English			Montréal French			Québec			Saguenay (Chicoutimi-Jonquière)		
	'01	'02	'03	'01	'02	'03	'01	'02	'03	'01	'02	'03
- AC				1	1	2	1	1	2			1
- AC / CHR	1									1		
- AC / Light				1	1						1	
- AC / Light Rock	1	1	1									
- Album Genre Rock									1			
- All News			1			1						
- AOR	1						1	1				
- CBC – Radio One	1	1	1				1	1	1			
- CBC Espace musique				1	1	1	1	1	1	1	1	1
- CBC Radio Two	1	1	1									
- CFA Specialty				1								
- Classic Rock		1	1			1						
- Classical					1	1						
- Ethnic	1	1	1		1	1						
- Hot Adult Contemporary		1	1									
- Info / Commentary / Sports				1								
- Info / Sports / Services								1	1			
- Information / Music							1	1	1			
- Mainstream Top 40/CHR				2	2	2	1	1	1	1	1	1
- Middle of the Road / EL				1								
- Modern Rock					1							
- News / Talk	2	2	1	1	1		1			1	1	1
- News / Talk / Sports					1	1						
- Oldies									1			
- Religious (Gospel)				1	1	1	1	1	1			
- Retro Music							1	1				
- Sports (Talk)	1	1	1									
- CBC – Première chaîne				1	1	1	1	1	1	1	1	1
Total number of stations	9	9	9	11	12	12	10	10	11	5	5	5
Number of distinct formats	8	8	9	10	11	10	10	10	10	5	5	5

Table 2.22: Formats of Market Stations for Halifax and St. John's

Format of market stations	Markets					
	Halifax			St. John's		
	'01	'02	'03	'01	'02	'03
- AC / CHR	1	1		1		
- AC / Light Rock	1					
- AC / News / Talk				1		
- AC / Oldies	1					
- AOR / CHR					1	1
- CBC – Radio One	1	1	1	1	1	1
- CBC Radio Two	1	1	1	1	1	1
- CHR			1			2
- CHR / Top 40					1	
- Classic Hits		1	1			
- Classic Rock					1	1
- Country	2	1	1	1		1
- Country / News / Talk					1	
- Country Classic		1	1			
- Gospel				1	1	1
- Hot Adult Contemporary				1		
- News / Talk (Sports)	1					
- Oldies		2	1			
- Other – Nfld. Music				1	1	1
- Rock	1	1	1			
- CBC – Première chaîne	1	1	1			
- Variety				1	1	1
- Yesterday's Favourites			1			
Total number of stations	10	10	10	9	9	10
Number of distinct formats	9	9	10	9	9	9

I. Popularity of Formats

- The pie charts 2.3 and 2.4 show the percentage of tuning to Canadian English and French-language radio stations by format. These charts also indicate the number of Canadian stations that were broadcasting in these formats. The information used is based on BBM Fall 2003 data and excludes tuning to ethnic, bilingual and U.S. stations.

Chart 2.9: English-Language Station Formats – BBM Fall 2003²

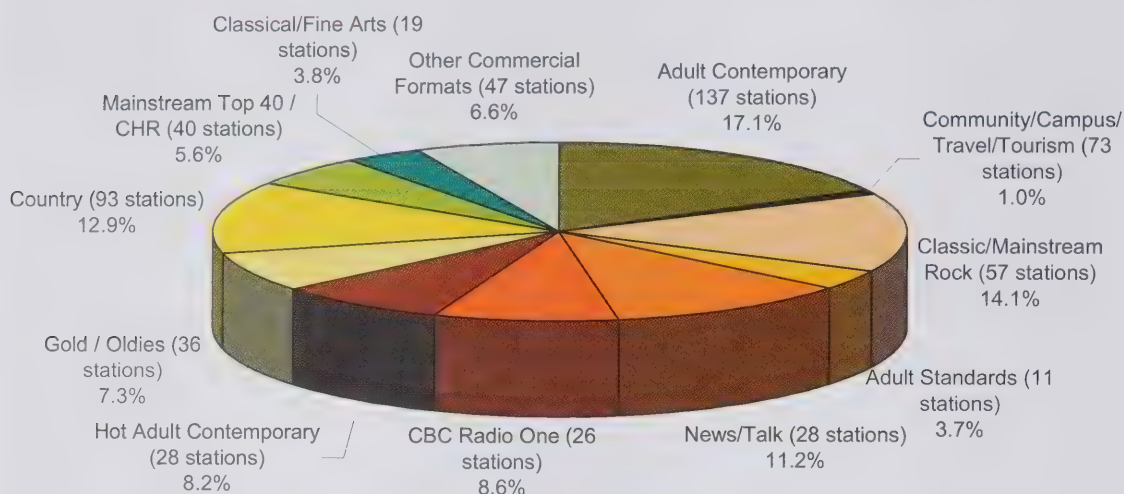
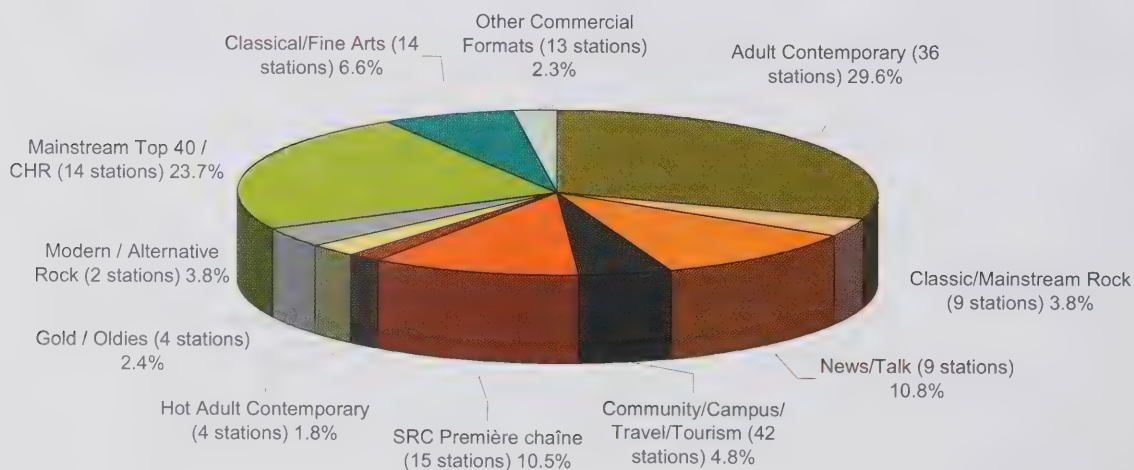


Chart 2.10: French-Language Station Formats – BBM Fall 2003³



² BBM Fall 2003, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian English-language stations

³ BBM Fall 2003, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian French-language stations

J. Promoting the Airplay of Canadian and French Vocal Music

- In 1998, the *Commercial Radio Policy* increased the required number of category 2 musical selections broadcast each week that must be Canadian from 30% to 35% for commercial AM and FM radio stations.
- The *Commercial Radio Policy* maintained the level of French-language vocal category 2 music selections to be broadcast each week at 65% and introduced the requirement of 55% French-language vocal category 2 music Monday through Friday between 6 a.m. and 6 p.m.
- These requirements have since been incorporated in the *Radio Regulations, 1986*, as amended from time to time.
- Radio stations are analyzed, by the Commission, for compliance to their regulated Canadian music and French vocal music requirements during the licence renewal process.
- Table 2.23 provides the percentage of commercial radio stations that were in compliance with their Canadian content requirements in 2003. The results shown are based on a limited sample of stations analyzed from 1 January 2003 to 31 December 2003 and are not necessarily representative of the radio community as a whole.

Table 2.23: Canadian Content and French Vocal Music

Requirement	Number of stations analyzed in 2003	% Meeting Requirement	
		All Day & Weekly	6 a.m. to 6 p.m. Monday to Friday
35% Canadian content (English-language stations)	30	90%	93%
65% French vocal music	16	88%	Not applicable
55% French vocal music Weekly – 6 a.m.-6 p.m.		Not applicable	100%

Source: CRTC, Evaluation of licence renewal applications from 1 January 2003 to 31 December 2003

- The Commission's approach to radio licensees found in non-compliance is outlined in *Practices Regarding Radio Non-Compliance*, Circular No. 444, 7 May 2001.

K. Ethnic Radio

- The Commission revised its ethnic broadcasting policy in *Ethnic Broadcasting Policy*, Public Notice CRTC 1999-117, 16 July 1999.
- The Commission considered that the primary goal of the policy was to ensure access to ethnic programming to the extent practicable, given resource limitations. As one way of furthering this objective, the Commission has licensed ethnic radio broadcasters that specialize in providing ethnic programming.

- There are currently 16 commercial AM and FM ethnic radio stations broadcasting in Canada. The following tables provide the languages of programming broadcast by each of these stations. The stations are grouped by the markets they are licensed to serve. The information comes from each individual station's programming schedule, based on a broadcast week in May 2004.
- In *Ethnic FM radio station in Montréal*, Broadcasting Decision CRTC 2003-194, 2 July 2003, the Commission approved a new ethnic radio station in the Montréal market.

Table 2.24: Ethnic Radio in the Vancouver, Edmonton, Calgary, Winnipeg and Montréal Markets

Language / Group	Weekly Number of Hours Broadcast during a Typical Week in May 2004										
	Vancouver				Edmonton	Calgary	Winnipeg	Montréal			
	CHKG FM	CHMB AM	CJVB AM	Total	CKER FM	CHKF FM	CKJS AM	CJWI AM	CFMB AM	CKDG FM	Total
Third-Language Ethnic Programming											
Algerian				0.0					0.5		0.5
Arabic	0.2			0.2	2.5	1.0			1.0		1.0
Armenian				0.0						4.0	4.0
Bosnian			0.5	0.5		0.5					0.0
Brazilian		1.0		1.0							0.0
Cambodian	1.0		1.0	2.0		1.0					0.0
Caribbean				0.0		5.0			1.0		1.0
Chinese – Cantonese	18.0	95.0	93.0	206.0	31.5	78.0	1.0				0.0
Chinese – Mandarin	49.0	13.0	1.0	63.0	3.0	4.5	0.1		8.0		8.0
Croatian			1.0	1.0	1.0					1.0	1.0
Danish		0.3	0.4	0.7							0.0
Dutch	1.0		2.0	3.0	3.0	2.0					0.0
German				0.0	7.8		5.0		0.5		0.5
Greek		0.5	2.0	2.5	1.0		1.0		15.0	74.5	89.5
Haitian				0.0					6.0		6.0
Hebrew				0.0					0.5		0.5
Hindi	0.5			0.5	7.0	3.0	1.0		1.3		1.3
Hindustani				0.0		1.0					0.0
Hispano American				0.0					3.8		3.8
Hungarian				0.0	1.0	1.0	0.5			2.0	2.0
Icelandic		0.3		0.3							0.0
Indonesian	1.0			1.0		1.0					0.0
Irish				0.0			1.0				0.0
Italian		0.5	4.5	5.0	3.5		5.0		72.0		72.0
Japanese		7.0		7.0							0.0
Jewish				0.0					1.0		1.0
Korean	15.0			15.0	0.5						0.0
Laotian	1.0		1.0	2.0		1.0					0.0
Lingala	0.3			0.3							0.0
Lithuanian				0.0					1.0		1.0
Macedonian	1.0		1.0	2.0		1.0					0.0
Malaysian	1.0		1.0	2.0		1.0					0.0
Moroccan				0.0					1.0		1.0
Norwegian		0.3	0.4	0.7							0.0
Persian			2.0	2.0							0.0
Philippino-Tagalog	1.0	1.0	1.0	3.0	2.0		28.5		0.5	2.0	2.5
Polish			0.5	0.5	5.5	1.0	7.0		3.8		3.8
Portuguese		1.0		1.0	1.5		4.0		2.0		2.0
Punjabi	3.5			3.5	1.5	8.0	0.5		0.5		0.5
Romanian			1.0	1.0	1.0				0.5	2.0	2.5
Russian				0.0	0.5		0.5		0.5	3.0	3.5
Serbian			1.0	1.0	0.5	1.0				2.0	2.0
Slovenian				0.0			0.8				0.0

Weekly Number of Hours Broadcast during a Typical Week in May 2004

Language / Group	Vancouver				Edmonton	Calgary	Winnipeg	Montréal			
	CHKG FM	CHMB AM	CJVB AM	Total	CKER FM	CHKF FM	CKJS AM	CJWI AM	CFMB AM	CKDG FM	Total
Spanish	10.0	1.0	4.5	15.5	7.0	9.0	0.5				0.0
Swedish		0.3	0.4	0.7							0.0
Taiwanese	5.0			5.0							0.0
Tamil		0.5		0.5							0.0
Thai	1.0		1.0	2.0		1.0					0.0
Tunisian				0.0					1.0		1.0
Ukrainian		1.0		1.0	9.0	2.0	6.0		1.0		1.0
Urdu				0.0	0.5	3.0			0.5		0.5
Vietnamese	3.0	2.0	0.5	5.5	1.0		1.0		1.5		1.5
Yiddish							0.2		0.5		0.5
Total Third-Language Ethnic Programming	112.5	124.5	120.7	357.7	91.8	126.0	63.5	0.0	124.8	90.5	215.3
English, French & Aboriginal-Language Ethnic Programming											
English	13.2		5.3	18.5			16.0			0.5	0.5
French	0.3	0.5		0.8				126.0		0.8	126.8
Aboriginal		1.0		1.0							0.0
Total English, French & Aboriginal	13.5	1.5	5.3	20.3	0.0	0.0	16.0	126.0	0.0	1.3	127.3
Total Ethnic Programming	126.0	126.0	126.0	378.0	91.8	126.0	79.5	126.0	124.8	91.8	342.5

Table 2.25: Ethnic Radio, Toronto and Ottawa

Weekly Number of Hours Broadcast during a Typical Week in May 2004

Language / Group	Toronto							Ottawa
	CHIN AM	CHIN FM	CHKT AM	CIAO AM	CIRV FM	CJMR AM	Total	CJLL FM
Third-Language Ethnic Programming								
Afghani			6.0	3.0			9.0	
Albanian		1.0					1.0	
Arabic	1.0						1.0	23.5
Bengali	1.0			1.0		0.5	2.5	
Bosnian			0.5				0.5	1.0
Brazilian					1.0		1.0	
Bulgarian		1.0					1.0	
Cambodian			1.0				1.0	
Caribbean					0.4	8.0	8.4	5.0
Chinese – Cantonese	25.0	5.0	56.0	3.0	16.3		105.3	10.5
Chinese – Mandarin	7.0		7.5		10.3		24.8	7.0
Croatian	1.0	5.0	1.5	1.5		2.5	11.5	
Dari	0.5						0.5	
Dutch						1.5	1.5	1.0
Ethiopian				2.0			2.0	
Farsi							0.0	1.0
German		2.5		5.0			7.5	1.0
Greek	10.0	5.0	1.0				16.0	2.0
Hebrew							0.0	1.0
Hindi		13.0	5.0	14.0		11.0	43.0	9.0
Hindi - Almendyya				2.0			2.0	
Hungarian				2.0			2.0	1.0
Indonesian			1.0				1.0	

Weekly Number of Hours Broadcast during a Typical Week in May 2004

Language / Group	Toronto						Ottawa	
	CHIN AM	CHIN FM	CHKT AM	CIAO AM	CIRV FM	CJMR AM	Total	CJLL FM
Irish			1.0				1.0	
Italian	51.0	34.5		11.0		1.0	97.5	27.0
Korean			10.0	10.0			20.0	
Laotian			1.0				1.0	
Macedonian	2.5	0.5	1.0				4.0	
Malaysian			2.0				2.0	
Montenegri		0.5					0.5	
Oromo	0.5						0.5	
Pashto	0.5						0.5	
Patua							0.0	8.0
Philipino-Tagalog	0.5						0.5	1.0
Polish		10.0		11.0	1.0	27.5	49.5	5.0
Portuguese		24.0		2.0	63.2	5.0	94.2	2.0
Punjabi		7.5	9.5	26.0	9.6	57.0	109.6	2.0
Romanian	0.5		1.0			0.5	2.0	
Russian		3.0	10.0		2.4		15.4	2.0
Scottish			1.0				1.0	
Serbian		1.0					1.0	1.0
Serbo-Croatian		1.0					1.0	
Serbo-Chetnic		1.0					1.0	
Slovenian		1.0					1.0	
Somali	2.0						2.0	2.0
Spanish	3.0			17.0	9.2	1.0	30.2	4.0
Swiss		0.5					0.5	
Thai			2.0				2.0	
Ukrainian	2.5				7.6	4.5	14.6	2.0
Urdu	2.5	1.0		6.0		4.0	13.5	1.0
Vietnamese			7.0		2.0	1.0	10.0	1.0
Other: (Please Specify)						0.5	0.5	
Total Third-Language Ethnic Programming	111.0	118.0	125.0	116.5	123.0	125.5	719.0	121.0
English, French & Aboriginal-Language Ethnic Programming								
English	15.0	8.0	1.0	9.5	3.0	0.5	37.0	5.0
French							0.0	
Aboriginal							0.0	
Total English, French & Aboriginal	15.0	8.0	1.0	9.5	3.0	0.5	37.0	5.0
Total Ethnic Programming	126.0	126.0	126.0	126.0	126.0	126.0	756.0	126.0

L. Religious Radio

- The Commission's *Religious Broadcasting Policy* is set out in Public Notice CRTC 1993-78, 3 June 1993.
- The Commission's approach to religious broadcasting is based on the following principles:
 - Recognition of alternative values: the policy recognizes the legitimate needs and interests of those who wish to receive various kinds of religious programming.
 - The importance of balance: licensees are required to provide balance on matters of public concern and the Commission considers that religion is a matter of public

concern. Balance means that a reasonably consistent listener will be exposed to a spectrum of differing views on issues of public concern within a reasonable period of time.

- As of April 19, 2004 there were 56 radio stations licensed to broadcast in Canada in a religious spoken word format or religious music format. Of these 56 stations, 25 are French-language and 31 are English-language.

M. Native Radio

- Native radio is governed by the *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990. The policy framework is designed to improve the quality and quantity of access by native broadcasters to the Canadian broadcasting system.
- These undertakings have a distinct role to play in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.
- The greatest concentration of activity in aboriginal broadcasting involves community-based radio stations in small remote locations.
- There are two types of Native radio stations:

- Type A: A native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.

As a result of *Exemption order respecting certain native radio undertakings*, Public Notice CRTC 1998-62, 9 July 1998, Type A stations are no longer required to hold a broadcasting licence from the Commission.

- Type B: A native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force. There are currently 46 Type B native radio stations licensed.
- The principal sources of revenue for Native radio stations are non-commercial.

Table 2.26: Revenues for Type B Native Stations

(\$ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	16	15	13	10	16	16
Local Advertising	1,123	1,182	1,183	1,056	1,546	1,859
National Advertising	1	47	83	137	181	223
Other	3,391	3,376	4,031	4,943	7,310	8,059
Total Revenues	4,516	4,606	5,297	6,137	9,037	10,141
% of Non-Advertising Revenues	75%	73%	76%	81%	81%	79%

Source: CRTC Financial Database Note: 1999 to 2002 figures have been updated to reflect current aggregate results.

N. Community Radio

- As stated in *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000, there are two kinds of community radio stations: Type A and Type B. A community station is a Type A station if, at the time of licensing, no radio station other than the CBC is operating in the same language in all or part of its market. A community station is a Type B station if, at the time of licensing, there is at least one station, other than the CBC, operating in the same language in all or part of the same market.
- In addition to advertising revenues, community radio stations receive revenues from fundraising, grants, and other sources.
- There are currently 40 Type A and 41 Type B community stations.
- Of the Type A community stations, 28 are French, 11 are English and one is bilingual.
- Of the Type B community stations, 20 are French, 19 are English, one is bilingual and one is multicultural.

Table 2.27: Revenues for Type A Community Stations

(\$ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	24	22	22	18	23	22
Local Advertising	2,001	2,117	2,053	2,059	2,155	1,911
National Advertising	330	459	535	658	617	705
Other	2,445	2,557	2,195	2,399	2,749	2,788
Total Revenues	4,776	5,133	4,783	5,116	5,521	5,404
% of Non-Advertising Revenues	51%	50%	46%	47%	50%	52%

Source: CRTC Financial Database Note: 1998 to 2002 figures have been updated to reflect current aggregate results.

Table 2.28: Revenues for Type B Community Stations

(\$ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	21	23	19	22	14	24
Local Advertising	3,199	2,935	2,131	2,622	2,189	3,298
National Advertising	485	551	596	613	371	724
Other	2,956	3,288	2,851	2,870	2,422	3,307
Total Revenues	6,640	6,774	5,579	6,105	4,982	7,328
% of Non-Advertising Revenues	45%	49%	51%	47%	49%	45%

Source: CRTC Financial Database Note: 1998 to 2002 figures have been updated to reflect current aggregate results.

O. Campus Radio

- As stated in *Campus radio policy*, Public Notice CRTC 2000-12, 28 January 2000, there are two types of campus radio stations, community-based campus and instructional. A community-based campus station's programming is primarily produced by volunteers, who are either students or community members. The primary objective of an instructional campus station is the training of professional broadcasters.
- There are currently 49 campus stations licensed across Canada, 40 community-based campus stations and 9 instructional campus stations.
- Of the community-based campus stations, 6 are French, 33 are English and one is bilingual.
- The majority of campus radio revenues come from sources other than advertising, for example, revenues from the educational institution they are associated with, grants, the local community, fundraising, etc.

Table 2.29: Revenues for Community-Based Campus Radio Stations

('\$ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	28	30	21	21	21	19
Local Advertising	495	739	453	339	425	456
National Advertising	54	84	41	49	55	60
Other	3,243	3,807	3,001	2,686	2,858	3,369
Total Revenue	3,792	4,630	3,494	3,074	3,338	3,885
% of Non-Advertising Revenues	86%	82%	86%	87%	86%	87%

Source: CRTC Financial Database

Note: 1998 to 2002 figures have been updated to reflect current aggregate results.

Table 2.30: Revenues for Instructional Campus Radio Stations

('\$ 000)	1998	1999	2000	2001	2002	2003
Number of Radio Undertakings Reporting	4	5	6	6	6	6
Local Advertising	234	152	105	133	149	232
National Advertising	-	-	-	-	-	-
Other	126	178	217	234	198	195
Total Revenues	360	330	321	366	348	427
% of Non-Advertising Revenues	35%	54%	67%	64%	57%	46%

Source: CRTC Financial Database

P. Low Power Radio

- A new licensing policy for low-power radio was issued in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002. This policy includes a definition of markets where low-power frequencies will be deemed to be scarce, circumstances where a low-power call for competing applications may occur and a priority system for assessing competing low-power radio applications.
- The following table outlines the number of low and very low-power radio stations in Canada as of July 2004, by type.

Table 2.31: Number of Originating Low and Very Low-Power Radio Stations in Canada by Type

Type	Private English-Language	Private French-Language	Other	Total
Tourist / Travel	62	3	1	66
Native Type B	20	5	1	26
Religious	21	21		42
Community - Type A	4	6		10
Community - Type B	7	2		9
Campus Community	8			8
Campus Instructional	4			4
Commercial	11	1	1	13
Specialty			1	1
Total	137	38	4	179

Source: CRTC Decisions

Q. Audio Services Delivered by Broadcasting Distribution Undertakings

1. Specialty Audio Services

- In *New licensing framework for specialty audio programming services*, Broadcasting Public Notice CRTC 2002-53, 12 September 2002, the Commission recognized the scarcity of over-the-air frequencies by offering an opportunity for a range of new discretionary specialty audio programming services distributed through other means.
- Specialty audio services are defined as audio programming services that are radio undertakings, other than licensed over-the-air services, delivered by BDUs and are specialized with respect to their content and/or target audience.
- There is no limit to the amount of advertising that may be broadcast on these services. There is also no carriage guarantee.

- From 1 October 2002 to 1 May 2004, the Commission approved 14 specialty audio services (2 regional and 12 national) targeting 8 ethnic communities and two Christian communities.

2. Pay Audio Programming Services

- In 1995⁴, following a competitive process, the Commission approved two national pay audio programming undertakings services known as Galaxie and Max Trax. These services offer 30 channels of commercial-free music. Each channel is devoted to a specific type of music, including classical, Christian contemporary, jazz, rap, rock, etc.
- Galaxie and Max Trax are carried on a discretionary basis by major distributors across Canada. Subscriber revenue is the principal revenue source for these services.

R. Multi-Channel Subscription Radio Services

- In *Call for Applications for a Broadcasting Licence to Carry on a Multi-Channel Subscription Radio Programming Undertaking*, Broadcasting Public Notice CRTC 2003-68, 23 December 2003, the Commission issued a call for applications for parties wishing to seek authority to carry on a multi-channel audio distribution undertaking for direct reception by subscribers. Since no such service is currently licensed for operation in Canada, the Commission indicated that it had not reached any conclusion with respect to the viability of such a service, nor had it determined whether it would authorize such a service at this time. The Commission held a public hearing commencing on 1 November 2004⁵ to consider three applications for this type of licence.

S. The National Public Broadcaster

- The Canadian Broadcasting Corporation (CBC) is Canada's national public broadcaster. As such, pursuant to section 3(1)(l) of the *Act*, it should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

1. Over-the-Air Radio Stations

- The CBC operates four national radio network services - *Radio One* and *Radio Two* in English and *La Première chaîne* and *Espace musique* in French. Additionally, CBC provides a unique radio service in Canada's North, broadcasting in English, French and eight Aboriginal languages. CBC also operates *Radio-Canada International*, an international short-wave radio service.

⁴ Licensing of four new pay audio programming undertakings, *Public Notice CRTC 1995-218*, 20 December 1995; *New Pay Audio Programming Undertaking (Select Digital Music)*, *Decision CRTC 93-235*, 25 June 1993

⁵ *Broadcasting Notice of Public Hearing CRTC 2004-6*, 6 July 2004

- CBC radio services broadcast commercial free and are funded by the federal government.

Table 2.32: CBC English and French-language Radio Networks

CBC's Over-the-Air Radio Networks	English-Language		French-Language		Total
	Radio One	Radio Two	Première chaîne	l'Espace musique	
CBC owned stations	37	14	21	12	84
CBC rebroadcasters	384	23	151	24	582
Community owned stations	1	1	-	-	2
Community owned rebroadcasters	47	10	9	-	66
Total	469	48	181	36	734

Source: CBC / Radio-Canada (Nov. 2004)

2. Pay Audio Services

- CBC owns and operates the national pay audio service Galaxie. The revenues of this bilingual service are derived entirely from subscriber revenues.

III. Television

A. Audience

1. Average Weekly Hours per Viewer

- BBM data indicates that the average total weekly hours per viewer 2+ increased in 2003 by approximately 35 minutes.
- Nielsen Media Research reports a modest 12 minute decrease of average weekly viewing in 2003 compared to 2002.

Chart 3.1: Average Weekly Hours per Viewer – All Persons 2+ – Fall



Sources: BBM: 2003-2004 Television Data Book; Nielsen Media Research & CBC Research

2. Average Weekly Hours per Capita

- On a per capita basis in 2003, the average weekly hours for Nielsen and BBM were 26.1 and 21.7 hours respectively.
- The following table sets out the average weekly viewing hours per capita by age group for the Fall 1999 to Fall 2003 survey periods (BBM Fall surveys, all persons 2+, 6 a.m. to 2 a.m. broadcast day).

Table 3.1: Per Capita Average Weekly Viewing Hours by Age Group

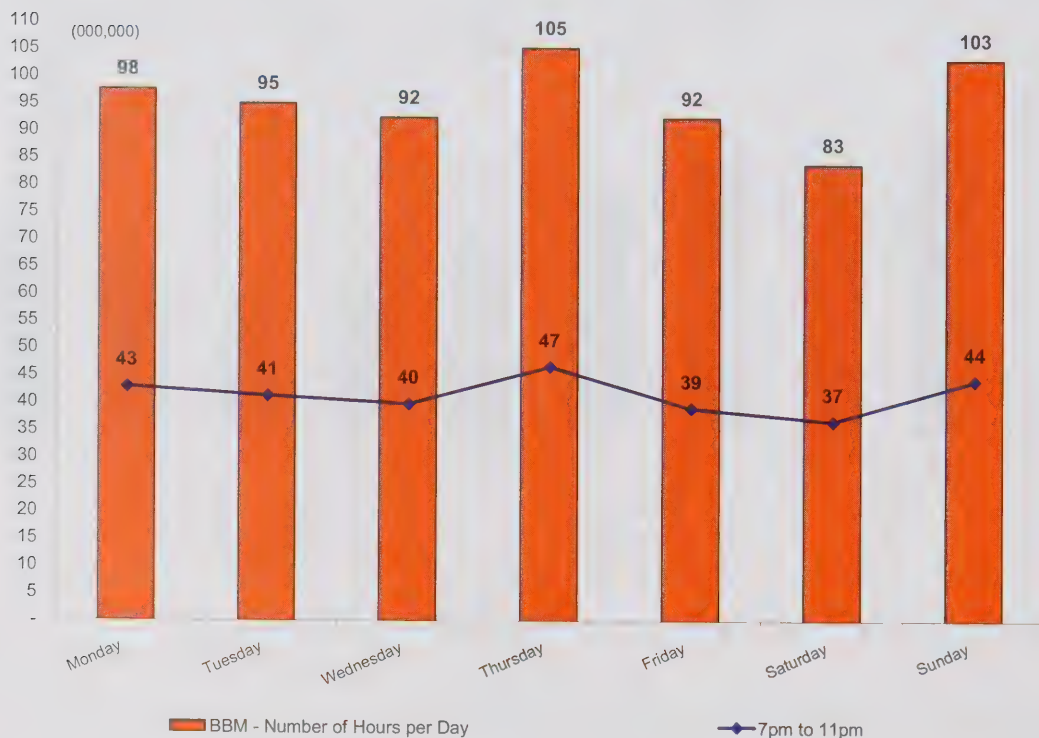
BBM Fall - All Persons 2+ - 6 a.m. to 2 a.m. Broadcast Day									
BBM Fall	All Persons 2+	Children 2-11	Teens 12-18	Adults					
				18-24	25-34	35-49	50-54	55-59	60+
1999	21.6	15.5	15.5	15.7	19.2	20.5	23.4	27.2	33.8
2000	21.5	15.5	14.1	14.8	19.0	20.2	23.4	27.3	34.2
2001	21.2	14.2	13.1	14.6	18.5	20.4	24.1	26.4	34.0
2002	21.6	14.6	13.7	14.4	19.2	20.7	24.1	26.3	34.1
2003	21.7	14.0	14.8	13.1	19.1	20.9	23.9	27.3	34.2

Source: MicroBBM – 1999 to 2003 Fall Surveys

- Average viewing for all persons 2+ has remained relatively stable since 1999.

3. Average Daily Viewing Hours

**Chart 3.2: Average Daily Viewing Hours – All Persons 2+ – BBM Fall 2003
– 6 a.m. to 2 a.m. Broadcast Day**



- Thursday, Sunday and Monday continue to be the most popular television viewing days of the week, as reported by both Nielsen and BBM.

4. Viewing Share by Station Group

**Table 3.2: Fall 1993 to Fall 2003 for All Persons 2+
All Provinces Excluding Quebec
Monday to Sunday, 6 a.m. to 2 a.m.**

	Viewing Share % - Fall											Growth
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	93 to 03
Canadian Services:												
English Language												
- Private Conventional	44.1	42.9	42.6	41.3	39.6	37.5	37.6	35.9	33.3	34.8	35.1	(9.0)
- CBC & Affiliates	12.9	13.2	12.0	11.5	10.6	9.1	7.5	7.5	6.9	6.8	7.1	(5.8)
- Pay & Specialty	6.2	5.9	9.0	9.6	13.0	14.7	16.9	19.5	20.0	21.4	22.6	16.4
- Digital Specialty *									1.8	1.4	1.6	1.6
- TVO	0.8	1.0	1.0	1.1	1.2	1.3	1.2	1.3	1.0	1.2	1.0	0.2
- Other **	0.6	0.7	0.7	0.8	0.8	0.7	0.8	0.7	1.1	1.4	1.2	0.6
Total English	64.6	63.7	65.1	64.3	65.3	63.3	64.0	65.0	64.1	66.9	68.6	4.0
French Language												
- Private Conventional	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.4	0.5	(0.1)
- SRC & Affiliates	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.5	0.5	0.4	0.3	(0.3)
- Pay & Specialty	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2
Total French	1.3	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.2	1.1	1.1	(0.2)
Other Languages												
- Private Conventional	1.2	1.5	1.2	1.0	0.9	1.1	1.0	0.9	0.7	0.9	1.4	0.2
- Pay & Specialty	0.1	0.2	0.4	0.4	0.5	0.5	0.7	0.8	0.5	0.6	0.4	0.3
- Digital Specialty *									-	0.0	-	-
Total Other	1.3	1.7	1.6	1.4	1.4	1.6	1.7	1.7	1.2	1.6	1.8	0.5
Total Cdn. Services	67.3	66.6	68.0	67.0	68.0	66.3	66.9	68.0	66.5	69.6	71.5	4.2
Foreign Services:												
- Conventional	17.8	17.4	16.6	16.2	13.5	14.2	13.2	12.4	12.2	10.9	10.9	(6.9)
- PBS	2.8	2.5	2.3	2.4	2.3	1.8	1.7	1.9	1.8	1.4	1.3	(1.5)
- Pay & Specialty	5.5	6.5	5.9	6.8	7.4	9.4	10.2	11.5	13.4	11.9	10.5	5.0
Total Foreign Services	26.1	26.5	24.8	25.4	23.2	25.5	25.1	25.8	27.4	24.2	22.7	(3.4)
Other	0.9	1.0	1.0	1.3	2.8	2.5	2.3	1.1	1.2	1.2	1.1	0.2
VCR	5.7	5.9	6.1	6.3	6.0	5.8	5.8	5.1	4.7	5.1	4.8	(0.9)
TOTAL	100	100	100	100	100	100	100	100	100	100	100	
Total Hours (000)	448,541	471,494	488,749	486,246	488,769	503,072	478,576	471,198	472,640	486,011	492,453	43,912

* BBM Fall 2001 sample was conducted during the promotional viewing period.

** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious

- In Fall 1997, results for the CFMT (OMNI 1) station, were moved from private conventional English-Language to private conventional Other-Languages.

Source: BBM Fall 1993-2003

- The total viewing share of Canadian English-language television services in all provinces excluding Quebec has increased by 4 percentage points compared to 1993. The viewing to all Canadian services has increased by 4.2 percentage points over the same period. Viewing to foreign services has decreased by 3.4 percentage points over the same period.
- Canadian English-language pay and specialty services continue to increase their share of the total viewing. BBM¹ reports a total viewing share of 24.2% in Fall 2003. Nielsen Research² data reports that the share for Canadian English pay and specialty services in all regions excluding Québec averaged 32.1% over the period of 27 October to 23 November 2003.

¹ BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.

² Nielsen: 24 hour broadcast day - 6 a.m. to 6 a.m.

**Table 3.3: Fall 1993 to Fall 2003 for All Persons 2+
Province of Quebec
Monday to Sunday, 6 a.m. to 2 a.m.**

	Viewing Share % - Fall											Growth
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	93 to 03
Canadian Services:												
<i>French Language</i>												
- Private Conventional	47.6	47.7	44.9	44.7	46.1	44.9	45.0	46.1	44.0	45.4	45.8	(1.8)
- SRC & Affiliates	22.8	20.4	22.7	21.6	19.8	21.1	20.0	17.5	17.8	14.9	11.7	(11.1)
- Pay & Specialty	5.6	5.6	8.4	10.0	10.4	10.5	11.2	13.5	15.7	17.5	17.9	12.3
- Télé-Québec	2.6	3.3	2.4	1.5	1.1	1.3	2.0	2.0	2.2	2.5	2.6	(0.0)
Total French	78.6	77.0	78.4	77.7	77.4	77.8	78.2	79.1	79.7	80.2	78.0	(0.6)
<i>English Language</i>												
- Private Conventional	6.4	6.4	6.0	6.2	6.5	6.3	6.0	5.9	5.3	5.2	6.0	(0.4)
- CBC & Affiliates	2.1	2.3	2.1	2.1	1.9	1.6	1.2	1.3	1.1	1.1	1.5	(0.6)
- Pay & Specialty	0.9	0.9	1.3	1.4	2.1	2.0	2.3	2.6	2.7	3.0	3.1	2.2
- Digital Specialty *									0.4	0.3	0.4	0.4
- Other **	0.3	0.4	0.3	0.5	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.1
Total English	9.7	9.9	9.7	10.1	10.7	10.2	9.8	10.1	9.9	10.0	11.4	1.7
<i>Other Languages</i>												
- Private Conventional	-	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.3	0.5	0.4	0.4
- Pay & Specialty	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Total Other Languages	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.5	0.7	0.6	0.6
Total Cdn. Services	88.3	87.0	88.1	87.9	88.3	88.2	88.2	89.5	90.1	91.0	90.0	1.7
Foreign Services												
- Conventional	6.2	6.7	5.7	5.6	4.7	4.5	4.6	4.4	3.7	3.1	3.3	(2.9)
- PBS	1.1	1.2	0.9	0.9	0.7	0.7	0.6	0.7	0.5	0.4	0.4	(0.7)
- Pay & Specialty	0.2	0.2	0.6	0.6	0.9	1.0	1.1	1.4	1.9	1.6	1.7	1.5
Total Foreign Services	7.5	8.1	7.3	7.0	6.2	6.2	6.3	6.5	6.1	5.1	5.4	(2.1)
Other	0.6	0.7	0.7	0.8	1.3	1.4	1.7	0.9	0.9	0.8	0.9	0.3
VCR	3.6	4.3	4.0	4.4	4.2	4.2	3.8	3.2	2.9	3.1	3.6	(0.0)
TOTAL	100	100	100	100	100	100	100	100	100	100	100	
Total Hours (000)	174,533	187,524	190,479	190,299	189,195	188,637	181,056	173,099	170,205	173,355	174,980	447

* BBM Fall 2001 sample was conducted during the promotional viewing period.

** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious

- In Fall 1997, results for the CFMT (OMNI 1) station, were moved from private conventional English-Language to private conventional Other-Languages.

Source: BBM Fall 1993-2003

- The total viewing share of Canadian French-language television services in Quebec has remained relatively constant since 1993.
- BBM³ reports that Canadian French-language pay and specialty services continue to increase their share of total viewing reaching a 17.9% share of viewing in Fall 2003 in the province of Quebec. Over the same period, French-language private conventional services have decreased by only 1.8%, while SRC has lost 11.1%.
- Nielsen Research⁴ data reports that the share of Canadian French-language pay and specialty services in the province of Quebec averaged 30.8% over the period of 27 October to 23 November 2003.

³ BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.

⁴ Nielsen: 24 hour broadcast day – 6 a.m. to 6 a.m.

5. Viewing Share by Ownership Group

- In *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 (the Television Policy), the Commission established that the renewal of all the conventional television licences held or controlled by a group will generally be considered by the Commission at the same time.
- This approach gives the Commission the opportunity to make a strategic assessment of the contribution of all aspects of a licensee's operations to the Canadian broadcasting system.
- Table 3.4 sets out the combined viewing share of conventional and specialty services controlled by the conventional English- and French-language television ownership groups. This table reflects only those specialty services in which these groups have a 50% or greater ownership interest.
- This table shows that, on a combined basis, conventional television ownership groups have been able to maintain or increase their overall viewing share through acquisition and new specialty services.
- Table 3.5 sets out the combined viewing share of the pay, PPV and specialty services controlled by the largest English- and French-language ownership groups that are primarily Pay, PPV and specialty service operators. This table reflects only those services in which the groups have a 50% or greater ownership interest.

Table 3.4: Combined Viewing Share of Conventional and Specialty Services Controlled, 50% or Greater, by Conventional English and French-Language TV Ownership Groups

Ownership Group	Voting Interest	Lang.	FALL - All Persons 2+, 6 a.m. to 2 a.m.											
			All Regions (Excl. Québec)						Province of Québec					
			98	99	00	01*	02	03	98	99	00	01*	02	03
Bell Globemedia (CTV) (2)														
- CTV Conventional Stations	100%	e	14.3	15.0	14.2	14.2	14.9	15.2	0.6	1.0	0.9	3.6	3.5	4.1
- Newsnet	100%	e	0.3	0.3	0.4	0.4	0.3	0.3	-	-	-	0.1	0.0	0.0
- TalkTV	100%	e			-	-	0.0	0.0			-	-	-	0.0
- Comedy Network, The	100%	e	0.3	0.3	0.4	0.4	0.5	0.5	-	-	-	-	0.0	0.0
- ROBTv	100%	e				0.1	0.1	0.2				-	0.0	0.0
- TSN (Sports Network, The)	80%	e			2.3	2.2	2.4	2.0			0.4	0.4	0.5	0.4
- RDS (Réseau des sports)	80%	f			-	-	0.1	0.1			1.6	1.6	3.0	2.9
- Discovery Channel, The	64%	e			0.9	0.8	0.8	0.9			0.2	0.2	0.2	0.3
- Digital Specialty Services		e				0.3	0.2	0.2				0.1	0.0	0.0
Total			14.9	15.6	18.2	18.4	19.2	19.4	0.6	1.0	3.1	5.9	7.3	7.9
CanWest Media														
- Global Conventional Stations	100%	e/o	8.1	7.4	13.5	13.3	13.3	12.8	1.8	1.5	1.6	1.8	1.9	1.9
- Prime TV	100%	e	0.5	0.8	1.1	1.2	1.1	1.1	-	-	-	-	0.1	0.1
- Digital Specialty Services		e				0.5	0.4	0.4				0.1	0.1	0.1
Total			8.6	8.2	14.6	15.0	14.8	14.2	1.8	1.5	1.6	1.9	2.1	2.1
CHUM (7)														
- CHUM Conventional Stations	100%	e	4.2	4.3	4.4	4.5	4.9	5.2	0.2	0.1	0.1	0.1	0.2	0.2
- Bravo!	100%	e	0.4	0.3	0.5	0.4	0.7	0.7	0.1	0.1	0.1	0.1	0.1	0.1
- MuchMusic	100%	e	0.4	0.4	0.4	0.4	0.4	0.3	-	-	0.1	-	0.1	0.0
- MuchMoreMusic	100%	e	0.2	0.2	0.2	0.2	0.2	0.2	-	-	-	-	0.0	0.0
- Space	100%	e	0.7	0.6	0.9	0.9	0.8	0.6	0.1	0.1	0.2	0.2	0.2	0.2
- Star-TV	100%	e		0.1	0.1	0.1	0.1	0.1		-	-	-	0.0	0.0
- Pulse 24 (CP24)	70.1%	e	0.1	0.1	0.2	0.3	0.3	1.3	-	-	-	-	-	-
- Canadian Learning Channel (CLT)	60%	e		-	-	0.1	0.1	0.1		-	-	-	0.0	0.0
- MusiquePlus	50%	f	-	-	-	-	0.0	0.0	0.3	0.3	0.3	0.2	0.3	0.3
- Musimax	50%	f	-	-	-	-	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2
- Digital Specialty Services		e				0.1	0.1	0.2				-	0.0	0.0
Total			6.0	6.0	6.7	7.0	7.6	8.6	0.9	0.8	1.0	0.8	1.1	1.1
CBC / SRC														
- Conventional - English Stations	100%	e	7.2	6.0	6.1	5.7	5.8	6.1	1.6	1.2	1.3	1.1	1.1	1.5
- Newsworld	100%	e	0.9	0.7	1.0	1.0	0.9	1.0	0.1	0.1	0.1	0.2	0.2	0.2
- Digital Specialty Service(s)	100%	e				0.0	0.0	0.0				0.0	0.0	0.0
Subtotal - English Language			8.1	6.7	7.1	6.7	6.7	7.1	1.7	1.3	1.4	1.3	1.3	1.7
- Conventional - French Stations	100%	f	0.6	0.6	0.5	0.5	0.4	0.3	15.7	15.2	13.6	14.3	12.0	9.4
- RDI (Réseau de l'information)	100%	f	-	0.1	0.1	0.1	0.1	0.1	1.5	1.2	1.2	2.7	1.9	1.8
Subtotal - French Language			0.6	0.7	0.6	0.6	0.5	0.4	17.2	16.4	14.8	17.0	13.9	11.2
Total			8.7	7.4	7.7	7.3	7.2	7.4	18.9	17.7	16.2	18.3	15.2	12.9
Craig Media (3) (7)														
- Craig, Conventional Stations		e	1.3	1.5	1.4	1.1	1.0	1.2	-	-	-	-	-	-
- Digital Specialty Services		e				0.2	0.1	0.1				-	-	0.0
Total			1.3	1.5	1.4	1.3	1.1	1.3	-	-	-	-	-	0.0
Quebecor Media (4) (6) (7)														
- Conventional Stations		f	-	-	0.1	0.1	-	-	6.6	8.1	9.5	9.3	29.8	28.0
- LCN (Le Canal Nouvelles)		f					-	0.0					0.9	0.7
- Digital Specialty Services		e				0.1	0.1	0.1				-	-	0.0
Total			-	-	0.1	0.2	0.1	0.1	6.6	8.1	9.5	9.3	30.7	28.7
Cogeco (5) (6)														
- Conventional Stations		f	-	-	-	-	-	0.1	5.9	5.8	5.4	4.8	14.4	16.0
Vidéotron (6)														
- Conventional Stations		f	0.1	0.1	0.1	-	-	-	32.5	31.2	30.4	29.0	-	-
- LCN (Le Canal Nouvelles)		f	-	-	-	-	-	-	0.3	0.5	0.6	0.6	-	-
Total			0.1	0.1	0.1	-	-	-	32.8	31.7	31.0	29.6	-	-
Total viewing share - Conventional			35.8	34.9	40.3	39.4	40.3	40.9	64.9	64.1	62.8	64.0	62.9	61.1
Total viewing share - Specialty			3.8	3.9	8.5	9.9	9.7	10.2	2.6	2.5	5.0	6.6	7.9	7.6
Total Viewing Share - Conventional & Specialty			39.6	38.8	48.8	49.3	50.0	51.1	67.5	66.6	67.8	70.6	70.8	68.7

Sources: BBM Fall 1998 to 2003; Economic Analysis and Research Broadcasting Directorate, CRTC; CRTC Acquisitions and Ownership Policy Section.

* *BBM sample was conducted during the introductory promotional viewing period for digital specialty services.*

(1) Reflects percentage of direct and indirect voting interest as of Fall 2003.

(2) BCE Inc. holds a 68.5% voting interest in Bell Globemedia Inc(BGM); CTV acquired NetStar 24 March 2000 and therefore acquired controlling interest in TSN, RDS and Discovery specialty channels; BCE Inc. acquired controlling interest in CTV on 7 December 2000; BGM acquired control of ROBTV in October 2001; BGM sold its interest in Canal Évasion in January 2003.

(3) Manalta Investment Company Ltd. (Craig Family) holds 80.1% of the voting interest of Craig Media Inc.

(4) Quebecor inc. directly and indirectly owns and control 54.72% of the voting interest of Quebecor Media Inc. Quebecor Media Inc. holds 99.91% voting interest in TVA Group Inc.

(5) Cogeco inc. holds through subsidiaries 60% of the voting interest of TQS inc. The remaining 40% is owned by CTV Television Inc.

(6) TVA conventional television stations & LCN were controlled by Vidéotron from 1998 to 2001. Quebecor acquired controlling interest of these services in 2002. TQS inc. conventional stations were controlled by Quebecor from 1997 to 2001. Cogeco acquired controlling interest in 2002. Refer to Chart 3.11 for details.

(7) CHUM Limited acquired effective control of Craig Media Inc. in November 2004 (*Transfer of effective control of Craig Media Inc. to CHUM Limited; and Acquisition of assets – reorganization of Toronto One*, Broadcasting Decision CRTC 2004-502, 19 November 2004). In *Transfer of effective control of Toronto One to TVA Group Inc. and Sun Media Corporation*, Broadcasting Decision CRTC 2004-503, 19 November 2004, the Commission also approves the transfer of effective control of Toronto One to Quebecor Media Inc.

Table 3.5: Combined Viewing Share of Specialty Services Controlled, 50% or Greater, by the Three Largest English and French-Language Ownership Groups that are Primarily Pay, PPV and Specialty Service Operators

Ownership Group	Voting Interest	Lang.	FALL - All Persons 2+, 6 a.m. to 2 a.m.											
			All Regions (Excl. Québec)						Province of Québec					
			98	99	00	01*	02	03	98	99	00	01*	02	03
Astral Media			(1)											
- TMN, The Movie Network	100%	e	0.3	0.6	0.7	0.7	0.7	0.6	0.1	0.1	0.2	0.1	0.2	0.2
- SuperÉcran	100%	f	-	-	-	-	-	0.0	1.3	1.2	1.6	1.7	1.9	1.7
- Moviepix! (The Classic Channel)	100%	e	0.1	0.2	0.2	0.2	0.2	0.1	-	-	0.1	0.1	0.1	0.1
- VRAK-TV (Canal Famille)	100%	f	-	-	-	-	-	0.0	1.3	1.3	0.8	1.9	2.1	2.0
- Canal D	100%	f	-	-	-	-	-	0.0	1.1	1.1	1.0	1.0	1.2	1.1
- Canal Vie	100%	f	-	-	-	-	-	0.0	0.5	0.7	0.9	0.8	1.0	1.5
- Canal Z	100%	f			-	-	-	0.0			0.4	0.5	0.5	0.6
- Family Channel, The	100%	e	0.5	0.7	0.8	0.9	1.2	1.2	-	-	-	-	-	0.1
- Viewer's Choice Canada	50.1%	e	-	0.1	-	0.1	0.1	0.0	-	-	-	-	-	0.0
- Séries +	50%	f			-	-	-	0.0			0.9	0.8	1.1	1.4
- Historia	50%	f			-	-	-	0.0			0.4	0.3	0.5	0.5
- MusiquePlus	50%	f	-	-	-	-	-	0.0	0.3	0.3	0.3	0.2	0.3	0.3
- Musimax	50%	f	-	-	-	-	-	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Total			0.9	1.5	1.7	1.8	2.2	2.1	4.7	4.8	6.9	7.7	8.9	9.7
Corus														
- Conventional Television Stations	100%	e			0.4	0.3	0.3	0.4			0.6	-	-	-
- Movie Central (SuperChannel)	100%	e	0.2	0.3	0.4	0.6	0.7	0.7	-	-	-	-	-	-
- Encore Avenue (MovieMax!)	100%	e	0.0	0.0	0.1	0.1	0.1	0.0	-	-	-	-	-	-
- YTV	100%	e	1.7	1.9	1.6	1.4	1.5	1.3	0.3	0.4	0.3	0.3	0.2	0.3
- Treehouse TV	100%	e	0.2	0.4	0.7	0.6	0.9	1.7	-	-	-	0.1	0.0	0.1
- W (Women's Television Network)	100%	e				0.6	0.6	0.6				-	-	0.0
- CMT (Country Music Television)	90%	e	0.3	0.4	0.5	0.4	0.5	0.5	0.1	0.1	0.1	0.1	0.1	0.1
- Telelatino	50.5%	o				0.1	0.1	0.1				0.1	0.1	0.1
- Digital Specialty Services		e				0.2	0.1	0.1				-	-	0.0
Total			2.5	3.0	3.7	4.2	4.8	5.5	0.4	0.5	1.0	0.5	0.4	0.5
Alliance Atlantis														
- Showcase	100%	e	0.4	0.5	0.6	0.6	0.4	0.7	0.1	0.1	0.1	0.1	0.0	0.2
- Life Network, The	100%	e	0.3	0.3	0.3	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.1	0.1
- History Channel, The	100%	e	0.6	0.5	0.8	0.7	0.7	0.5	0.1	0.1	0.1	0.1	0.1	0.1
- HGTV Canada	80.24%	e	0.3	0.3	0.3	0.5	0.6	0.7	-	-	-	-	0.1	0.1
- Food Network Canada	57.6%	e			0.3	0.3	0.4	0.0			-	-	0.0	0.0
- Historia	50%	f			-	-	-	0.0			0.4	0.3	0.5	0.5
- Séries +	50%	f			-	-	-	0.0			0.9	0.8	-	1.4
- Digital Specialty Services		e				0.3	1.1	0.5				0.1	0.1	0.1
Total			1.6	1.6	2.3	2.6	3.6	2.9	0.2	0.2	1.5	1.4	0.9	2.5

Sources: BBM Fall 1998 to 2003; Economic Analysis and Research, Broadcasting Directorate, CRTC; CRTC Acquisition and Ownership Policy Section

* BBM sample was conducted during the introductory promotional viewing period for digital specialty services.

(1) Percentage of direct and indirect voting interest

B. Canadian Priority Programming

- In *The Television Policy*, the Commission indicated that one of its goals in developing the policy is to “ensure quality Canadian programs at times when Canadians are watching”.
- The Television Policy states that the Commission wishes to ensure the availability of a sufficient number of hours of diverse programming to attract audiences to Canadian programming during peak viewing periods (7 p.m. to 11 p.m.).
- “Under-represented Canadian programming” (drama, music and dance, and variety programs) was redefined as “priority programming” and expanded to include long-form documentaries, regionally produced programs and entertainment magazine programs.
- The Television Policy also required that the large multi-station ownership groups offer as a minimum, in each broadcast year, an average of 8 hours per week of Canadian priority programming during the 7 p.m. to 11 p.m. peak viewing period. This requirement is in addition to any benefit commitments made by these broadcasters in connection with transfers of ownership or control. Currently, CTV, Global and TVA meet the Commission’s definition of large multi-station ownership groups. Other conventional ownership groups, such as CHUM and Craig, have committed to the 8 hours per week requirement as a result of transfers or new licensing applications.
- The 150% dramatic time credit that previously could be applied against regulated Canadian content requirements was also discontinued for the large multi-station ownership groups. In its place, the Commission introduced a 150% time-credit for Canadian drama programs that receive the full 10 Canadian key creative points and 125% for Canadian drama programs that receive between 6 and 9 points. The broadcasters can apply these time-credits against their minimum 8-hour per week priority programming requirement.
- The majority of the television stations controlled by CTV and Global were renewed in 2001⁵. TVA’s network television licence and its mother station CFTM-TV Montreal were also renewed in 2004⁶. In its renewal decisions, the Commission indicated that it would be monitoring and evaluating Canadian priority programming scheduling practices and related audience levels, in order to test whether the goals of the Television Policy were being achieved.
- The 2001 renewal decisions for TVA and CTV also outlined significant transfer benefits related to priority programming that the groups were required to fulfill during their next licence term:

⁵ Licence renewals for the television stations controlled by CTV, *Decision CRTC 2001-457*, 2 August 2001; Licence renewals for the television stations controlled by Global, *Decision CRTC 2001-458*, 2 August 2001

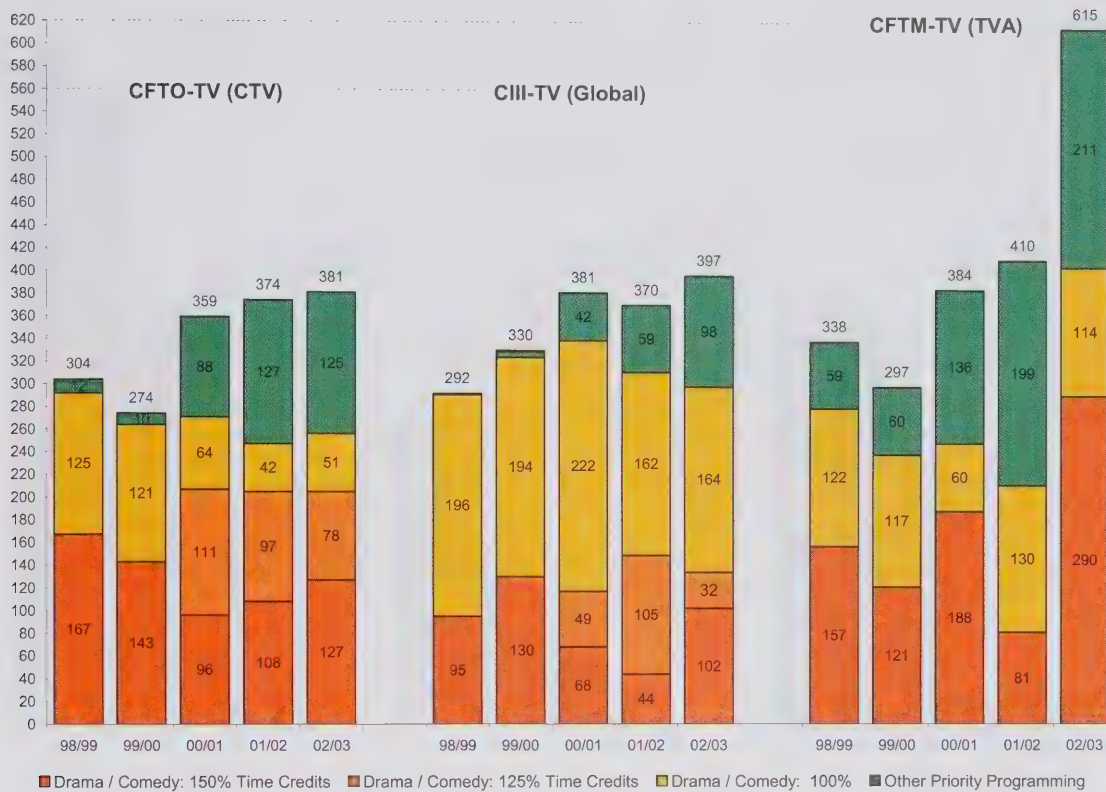
⁶ Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal, *Decision CRTC 2001-385*, 5 July 2001

- In *Transfer of effective control of CTV Inc. to BCE Inc.*, Decision CRTC 2000-747, 7 December 2000, the Commission required the licensee to broadcast a minimum of 175 hours of original Canadian priority programming over the licence term (in addition to the base level of eight hours per week), and a minimum total incremental expenditure of \$140 million over the licence term on the benefits-related priority programming.
- In *Transfer of effective control of TVA to Québecor Média inc.*, Decision CRTC 2001-384, 5 July 2001, the Commission required the licensee to expend a minimum of \$39.8 million of the benefits on priority programming, incremental to a base level of priority programming expenditures as outlined in the decision.
- The priority programming benefits for both TVA and CTV commenced in the 2001/2002 broadcast year.

1. Scheduling of Priority Programs

- The following chart sets out the total number of Canadian priority programming hours scheduled during the 1998/99 to 2002/03 broadcast years for the following stations:
 - CFTO-TV, Toronto (CTV)
 - CIII-TV, Toronto (Global)
 - CFTM-TV, Montréal (TVA)
- Results for the last three broadcast years (2000/01 to 2002/03) are based on the revised definitions of priority programming that came into effect on 1 September 2000. The number of hours that qualify for the old and new 150% and the new 125% drama / comedy time credits are also highlighted in this chart.

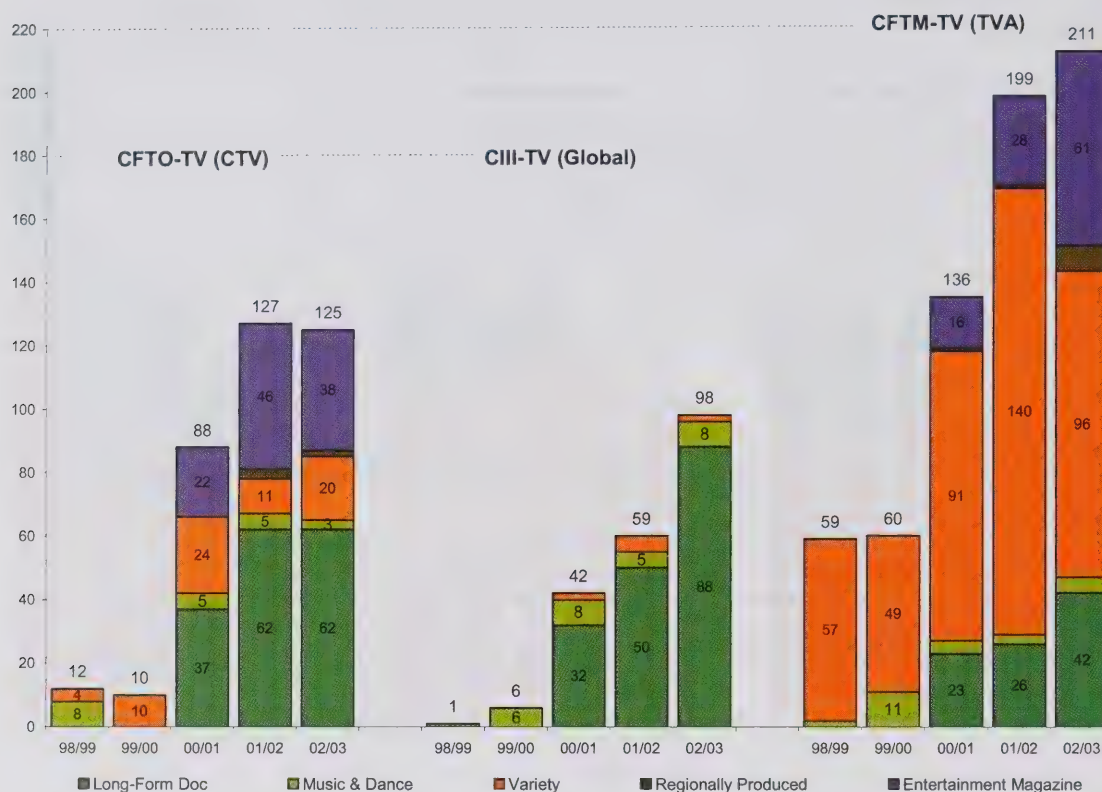
**Chart 3.3: Number of Hours of Drama/Comedy and Other Canadian Priority Programming Scheduled Annually
– 7 p.m. to 11 p.m.**



Notes: Reflects actual hours broadcast. Results for the 00/01, 01/02 and 02/03 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (August 2004)

- The following chart sets out the total number of Canadian priority programming hours, other than drama/comedy, scheduled in the 1998/99 to 2002/03 broadcast years for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) and CFTM-TV, Montréal (TVA).

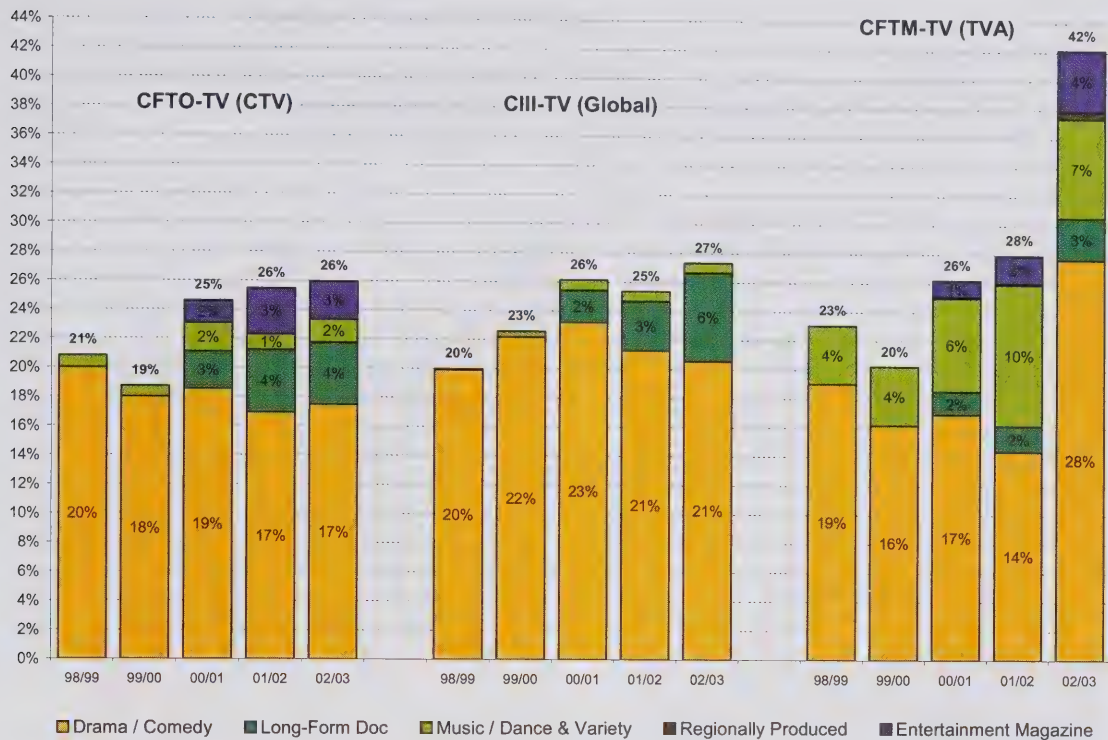
**Chart 3.4: Number of Hours Non-Drama/Comedy Canadian
Priority Programming Scheduled Annually
– 7 p.m. to 11 p.m.**



Notes: Reflects actual hours broadcast. Results for the 00/01, 01/02 and 02/03 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (August 2004)

- The following chart sets out for each of the Canadian priority programming categories, the percentage of hours broadcasted during the peak viewing period of 7 p.m. to 11 p.m. by CFTO-TV Toronto (CTV), CIII-TV Toronto (Global) and CFTM-TV Montréal (TVA) during the 1998/99 to 2002/03 broadcast years.

Chart 3.5: Percentage of Hours Broadcast for Each Canadian Priority Programming Category from 1998/99 to 2002/03



Notes: Calculation of percentages is based on actual hours broadcast. Results for the 00/01, 01/02 and 02/03 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (August 2004)

2. Drama

- In *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004, the Commission set out its final program of incentives designed to increase the viewing to, the expenditures on, the production and the broadcast of Canadian English-language drama programming.
- The program includes incentives to increase the viewing to Canadian drama. Additional advertising minutes will be awarded for an annual increase, over the broadcast year, in the ratio of total viewing to all Canadian drama as a percent of the total drama viewing on all the conventional television stations and specialty services within an ownership group that meets or exceeds the targets set by the Commission. The Commission indicated that a public notice will be issued in the 2004/05 broadcast year, setting out its proposed industry viewing objective along with the preliminary viewing targets for those groups participating in the incentive program. The increases will be measured using metered data over the entire broadcast year.⁷

⁷ The Commission is currently working with the Canadian Television Fund (CTF), Telefilm, Mediastats and interested government departments to refine a methodology that will facilitate the addition of country of origin and program genre for each program captured by both the BBM Canada and Nielsen Media Research people meter databases. These two additional data fields will be available for programs broadcast beginning 1 September 2003.

- The following tables provide preliminary viewing results to drama/comedy⁸ programming for the largest conventional groups in Canada.

Table 3.6: Viewing to Drama/Comedy by Ownership Group in the Toronto, Vancouver and Calgary Markets
English-Language Conventional Stations
All Persons 2+, 6 a. m. to 6 a. m.
1 September 2003 to 29 February 2004 (26 weeks)
Nielsen Media Research Metered Data ⁽¹⁾

Percentage of Average Weekly Viewing Hours (%)		
Ownership Group / Stations	Canadian	Foreign
Toronto / Vancouver / Calgary Markets		
CBC CBLT-TV / CBUT-TV / CBRT-TV	41.9	58.1
CTV CFTO-TV / CIVT-TV / CFCN-TV	9.5	90.5
CanWest CIII-TV & CHCH-TV / CHAN-TV & CHEK-TV / CICT-TV	8.5	91.5
Toronto / Vancouver Markets		
CHUM CITY-TV / CKVU-TV & CIVI-TV	8.1	91.9

Notes:

1. Preliminary data for the 1st half of the 2003/04 broadcast year based on a 24 hour clock.

Excludes viewing to drama programs where the country of origin was not identified – less than 1% of total hours.

Table 3.7: Viewing to Drama/Comedy for SRC and TVA Conventional Stations⁽¹⁾ in the Quebec Franco Market
All Persons 2+, 6 a. m. to 6 a. m.
1 September 2003 to 29 February 2004 (26 weeks)
BBM Metered Data⁽²⁾

Percentage of Average Weekly Viewing Hours (%)		
Ownership Group & Affiliates	Canadian	Foreign
Quebec Franco Market		
SRC & Affiliates	74.4	25.5
TVA & Affiliates	32.0	66.9

1. Includes viewing SRC and TVA affiliate stations

2. Preliminary data for the 1st half of the 2003/04 broadcast year based on a 24 hour clock.

SRC and TVA results were based on BBM Québec Franco metered data.

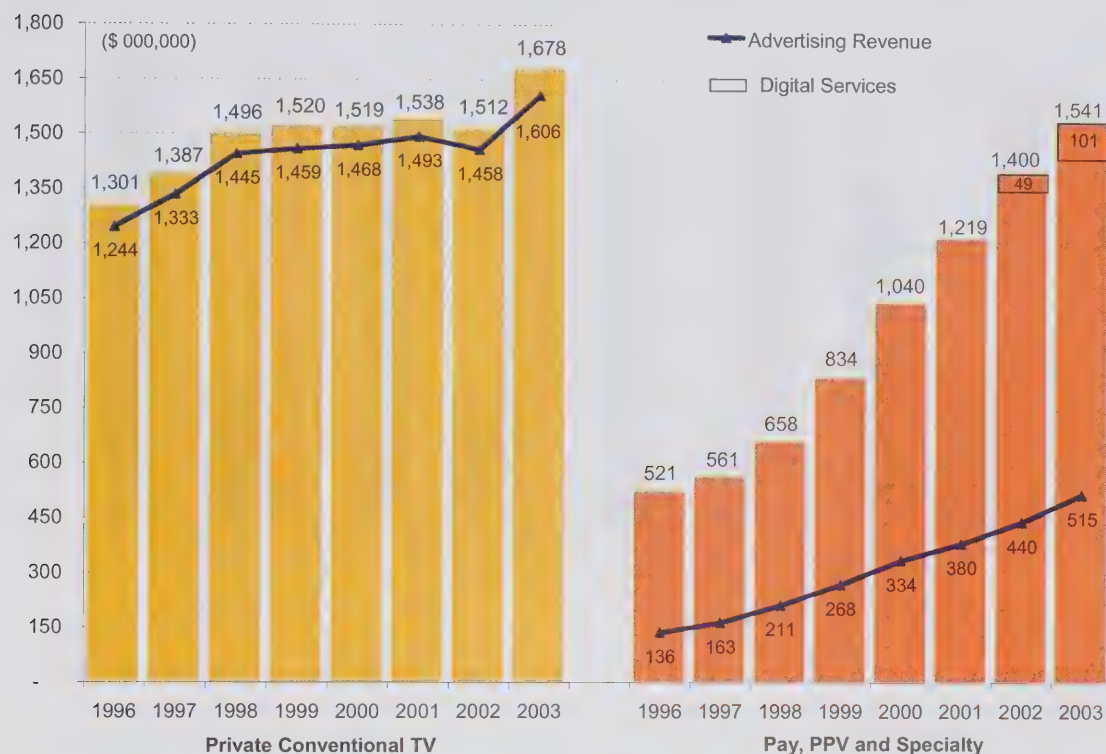
Excludes viewing to drama programs where the country of origin was not identified - 0.1% for SRC and 1.2% for TVA.

⁸ Category 7a to 7g, Drama and Comedy programming as defined the Television Broadcasting Regulations, 1987 and Specialty Services Regulations, 1990.

C. Financial Performance

1. English-Language Private Services

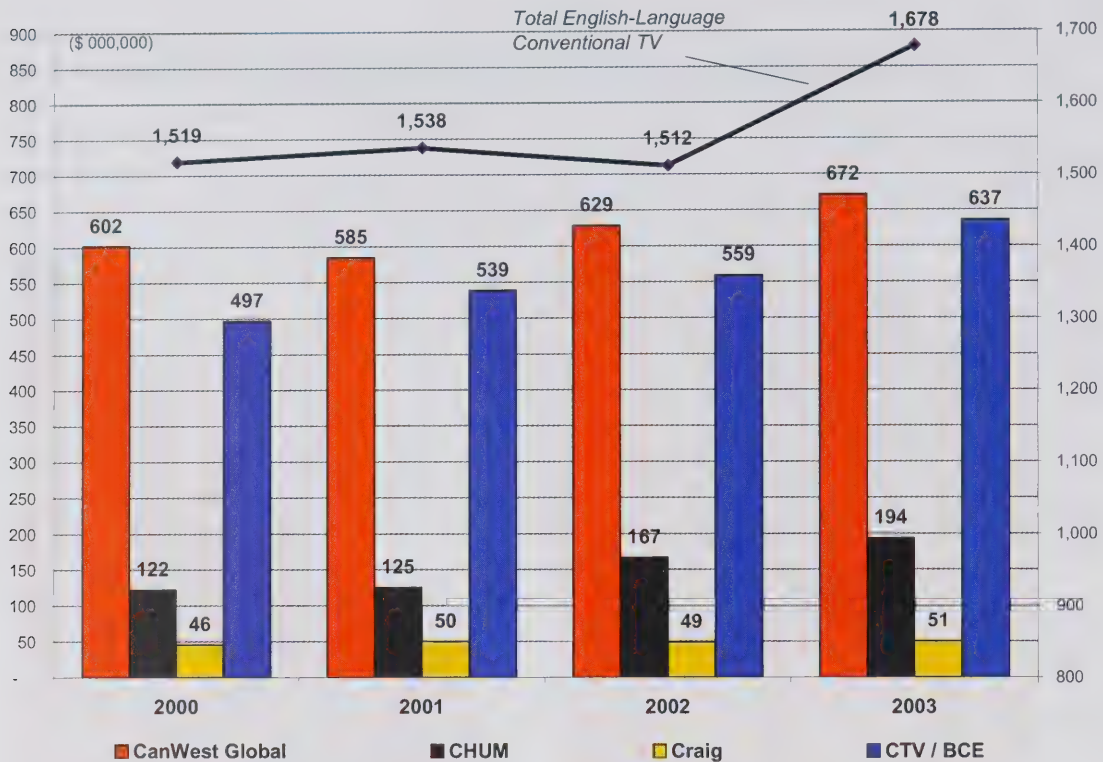
Chart 3.6: Revenues of English-Language Private Conventional Television and Pay, PPV & Specialty Services



Includes ethnic & bilingual services
Source: CRTC Financial Database

- The 8% revenue increase in 1998 for private conventional television was due to five new stations (CKMI-TV Québec; CJNT-TV Montréal; CKAL-TV Calgary; CKEM-TV Edmonton; CIVT-TV Vancouver). Between 1998 and 2002, revenue growth was flat. In 2003, revenues increased by 11%.
- Pay, PPV and specialty revenues have been increasing steadily. The number of English-services has more than doubled since 1996, increasing from 20 to 45 in 2001. In 2002, an additional 47 English-language and third-language digital services reported first year results. In 2003, the number of digital services reporting financial results increased to 48.
- Specialty television services have a dual revenue stream from both advertising and subscription. In 2003, 41% of their revenues were derived from advertising revenues. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

Chart 3.7: Revenues of English-Language Private Conventional Television Services by Ownership Group



Source: CRTC Financial Database

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.
- In Acquisition by CanWest Global Communications Corp., through its wholly-owned subsidiary CW Shareholdings Inc., of the ownership interests held previously by WIC Western International Communications Ltd. in various conventional television stations and in certain other broadcasting undertakings, Decision CRTC 2000-221, 6 July 2000, the Commission approved the acquisition by CanWest Global of certain television stations previously held directly or indirectly by WIC. In doing so, the Commission required CanWest Global to divest its interests in CFCF-TV and CKVU-TV. The divestitures took place in the fall of 2001. The stations were held in trust during this period. Consequently, the revenues for 2000 and 2001 shown here for Global exclude CFCF-TV and CKVU-TV. In 2000⁹, CanWest Global acquired the Montréal independent ethnic station CJNT-TV. This station's revenues are included from 2001 to 2003.
- CHUM acquired the CKUV-TV Vancouver¹⁰ station and launched CIVI-TV Victoria¹¹ in 2001. Revenues for these stations are included in 2002 and 2003 respectively.
- CTV revenues for 2000 and 2001 include the CTV network plus CTV stations, less the network payments to CTV affiliates. BCE acquired controlling interest in CTV on December 7, 2000. CTV acquired CKY-TV Winnipeg (Acquisition of the assets of CKY-TV Winnipeg and its transmitters, Decision CRTC 2001-460, 2 August 2001) and CFCF-TV Montréal (CTV Inc. is authorized to acquire effective control of CFCF-TV Montréal, subject to the condition that it increase the amount of the tangible benefits to a level commensurate with the Commission's determination regarding the value of the transaction, Decision CRTC 2001-604, 21 September 2001) in the 2000/01 and 2001/02 broadcast years respectively.

⁹ Acquisition of the assets of CJNT-TV, Decision CRTC 2000-744, 29 November 2000

¹⁰ Transfer of control of CKVU-TV Vancouver, Decision CRTC 2001-647, 15 October 2001

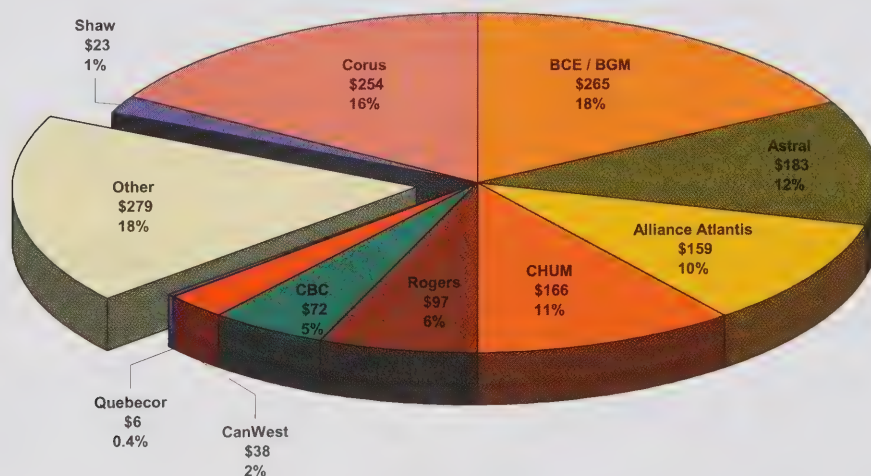
¹¹ New television station on Vancouver Island, Decision CRTC 2000-219, 6 July 2000

In 2003, these four ownership groups accounted for 93% of the total revenues reported by private English-language conventional television stations.

- CTV Television owns and operates 26 English-language conventional television stations and a satellite-to-cable service. It also has affiliation agreements with three private independently owned television stations. Its network operation reaches approximately 99%¹² of English-speaking Canadians. CTV also holds a 40% voting interest in TQS Inc.
- CanWest Global owns and operates twenty-one English-language conventional television stations as well as an independent conventional ethnic station located in Montréal. Its network operation reaches approximately 94%¹³ of English-speaking Canadians.
- CHUM owns and operates eight English-language conventional television stations located in Ontario (6) and British Columbia (2). In November 2004, CHUM acquired four television stations from Craig.¹⁴ CHUM now also owns and operates conventional television stations located in Alberta (2) and Manitoba (2). This makes CHUM the third largest English-language national multi-station group in Canada.
- Craig Media owned and operated five English-language conventional television stations located in Alberta (2), Manitoba (2) and Ontario (1). As noted above, In November 2004, CHUM acquired effective control of Craig's Alberta and Manitoba stations. Effective control of the Toronto station was acquired by Quebecor Media.¹⁵

Chart 3.8: Revenues of English-Language Pay, PPV & Specialty Services by Ownership Groups - 31 August 2003 (\$000,000)

- The following pie chart sets out 2003 revenues reported by English and third-language pay, PPV & specialty services by large broadcasting groups. The total revenue calculation for each ownership group is based on its percentage of direct and indirect voting interest in each service as at July 31, 2004.



Source: CRTC Ownership Charts as of 31 July 2004; CRTC Financial Database based on 31 August 2003 financial results

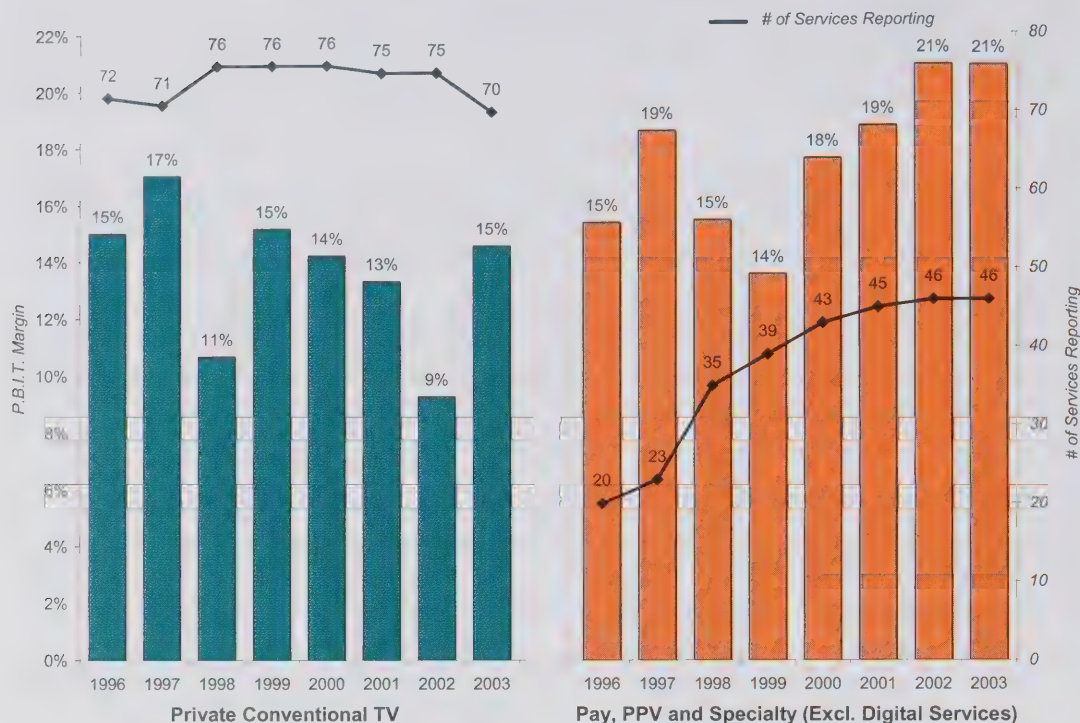
¹² Bell Globemedia website August 31, 2004: www.bellglobemedia.com

¹³ CanWest Global Communications website September 2, 2004: www.canwestglobal.com

¹⁴ A public hearing held in Gatineau commencing on 7 September 2004, Broadcasting Notice of Public Hearing CRTC 2004-5, dated 7 July 2004.

¹⁵ New Toronto One station was launched in the Fall 2003.

Chart 3.9: Aggregate PBIT¹⁶ Margins of English-Language Private Conventional Television & Pay, PPV and Analog Specialty Services



Notes: Includes ethnic & bilingual services; in 2003 CBC acquired six of its affiliates (CKNC-TV, CFCL-TV, CJIC-TV, CHNB-TV, CKBI-TV and CKOS-TV) which are no longer included in the above.

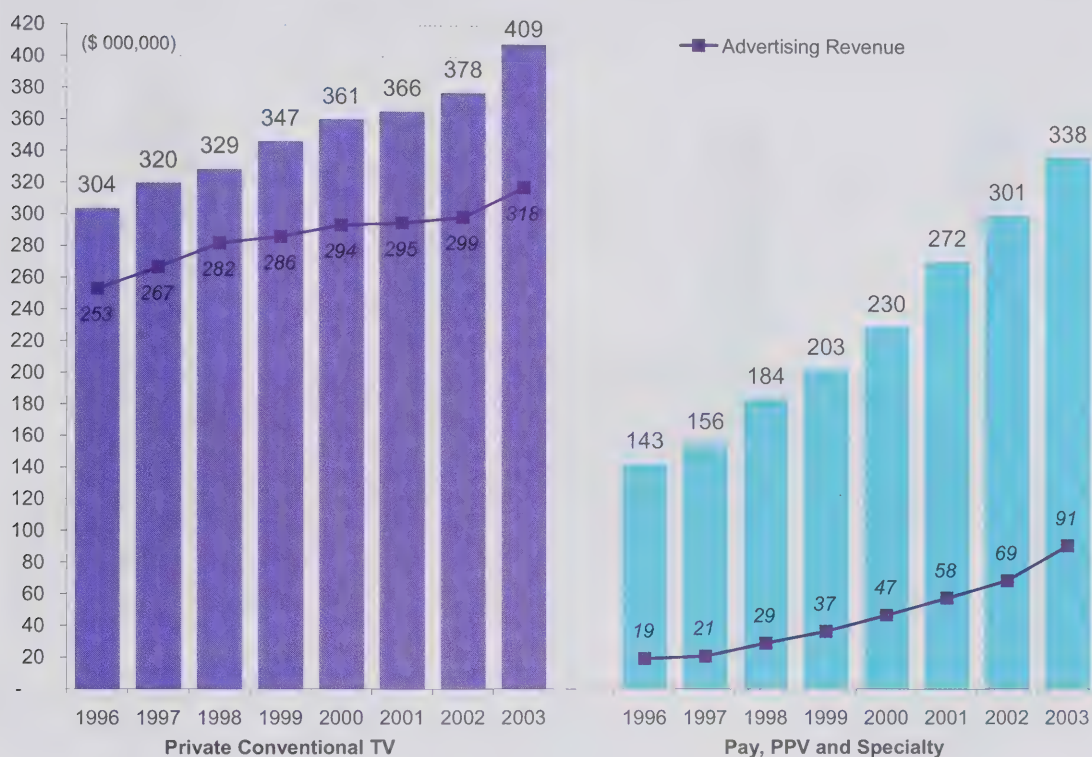
Source: CRTC Financial Database

- The new ethnic conventional television stations OMNI 2 and Channel M, located in Toronto and Vancouver respectively, reported first year results in 2003.
- The drop in profitability in 1998 for conventional television stations was due to five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn.
- The number of pay, PPV and specialty services has been climbing steadily over the past several years. The introduction of 12 new services in 1998 caused the aggregate PBIT margin decrease in 1998 and 1999.
- The 2003 pay, PPV & specialty results reflect \$301 million in profits from the analog services with a PBIT of 21%. The digital services reported losses of \$87 million in 2003 which resulted in a combined PBIT margin of 14% for English and third-language analog and digital pay, PPV and specialty services.

¹⁶ Profit before Interest & Taxes (PBIT)

2. French-Language Private Services

Chart 3.10: Revenues of French-Language Private Conventional Television & Pay, PPV and Specialty Services

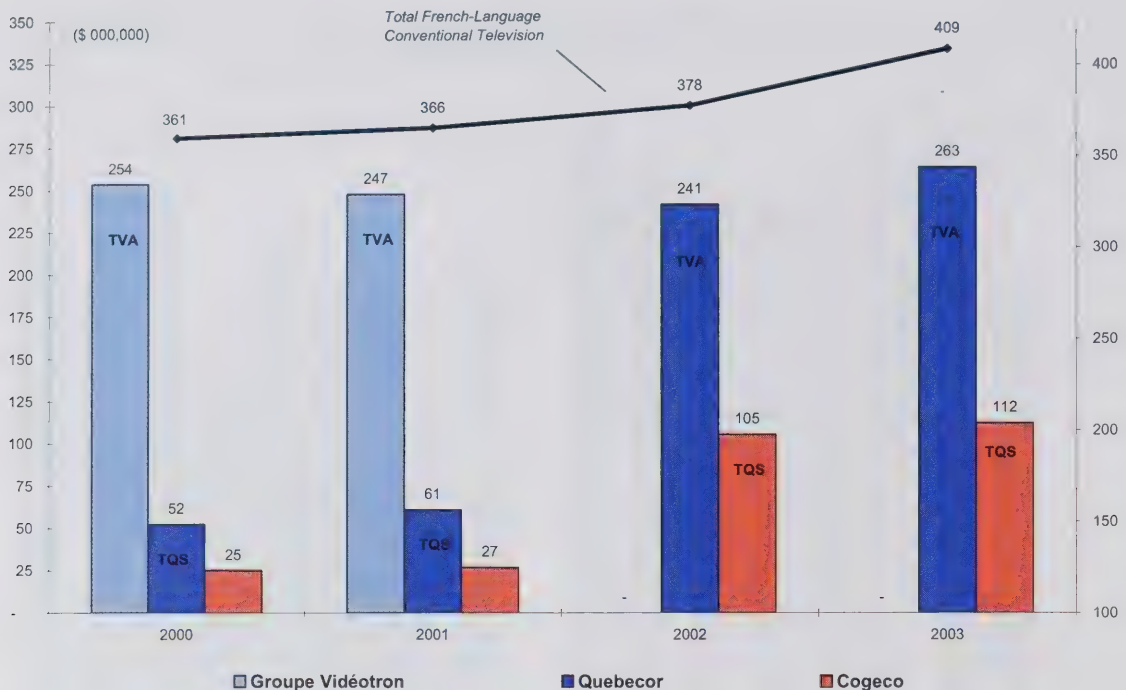


Excludes bilingual services

Source: CRTC Financial Database

- Revenue growth for French-language private conventional stations averaged 4% per year from 1996 to 2002. Revenues increased by 8% in 2003. The number of stations has remained unchanged since 1993.
- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1996, the number of services has increased from 7 to 17 services in 2002.
- French-language specialty services rely heavily on subscription revenues. In 2003, 66% of their revenues were derived from subscription revenues.

Chart 3.11: Revenues of French-Language Private Conventional Television Services by Ownership Group



Source: CRTC Financial Database

Notes:

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.

Groupe Vidéotron:

- Held majority voting interest in Groupe TVA inc. In 2002, Quebecor acquired effective control of Vidéotron.

Quebecor:

- Held majority voting interest in TQS Inc. (CFJP-TV & CFAP-TV) from 1999 to 2001.
- In Transfer of effective control of TVA to Quebecor Media inc., Decision CRTC 2001-384, 5 July 2001, Quebecor acquired control of Groupe TVA inc. Approval was subject to the condition precedent that Quebecor divest itself of TQS inc.
- In Transfer of effective control of TVA to Quebecor Media inc., Decision CRTC 2001-384, 5 July 2001, Quebecor acquired control of Groupe TVA inc. Approval was subject to the condition precedent that Quebecor divest itself of TQS inc. On 7 December 2001 (Decision CRTC 2001-746) the Commission approved the purchase of TQS inc. by Cogeco inc. (60%) and Bell Gloemdia Inc. (40%)

Cogeco:

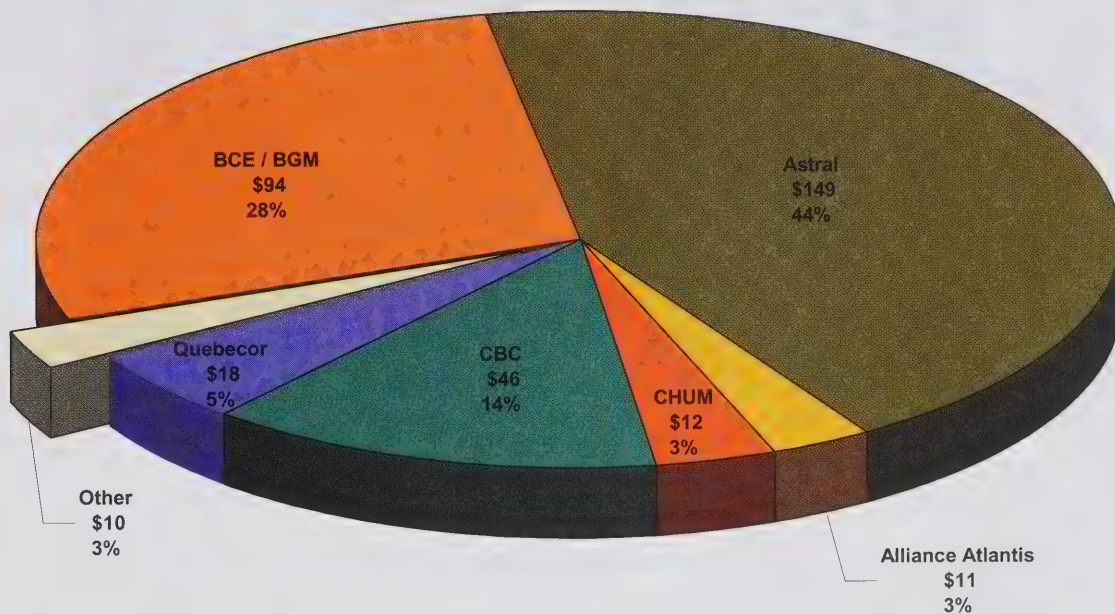
- In December 2001, Cogeco acquired majority controlling interest of the TQS inc. television stations.

Quebecor and Cogeco's combined revenues accounted for 92% of the total revenues reported by private French-language conventional television in 2003.

- Groupe TVA is the largest private French-language conventional television broadcaster in Canada. In addition to the network, TVA owns and operates six television stations, including CFTM-TV Montréal and CFCM-TV Québec. It also has affiliation agreements with four private independently owned television stations and it holds a 45% ownership interest in two of these stations. The TVA service has been licensed for national distribution since 1998.

- TQS inc. owns and operates eight French-language television stations (five TQS & three SRC affiliate stations) located in the province of Quebec. It also operates TQS, a French-language television network originating in Montréal.
- The following pie chart sets out 2003 revenues reported by French-language pay, PPV & specialty services by large broadcasting groups. The total revenue calculation for each ownership group is based on its percentage of direct and indirect voting interest in each service as at 31 July 2004.

**Chart 3.12: Revenues for French-Language Pay, PPV & Specialty Services by Ownership Groups
- 31 August 2003 (\$'000,000)**



Source: CRTC Ownership Charts as of 31 July 2004; CRTC Financial Database based on 31 August 2003 financial results

Chart 3.13: Aggregate PBIT Margins of Private French-Language Conventional Television & Pay, PPV and Specialty Services

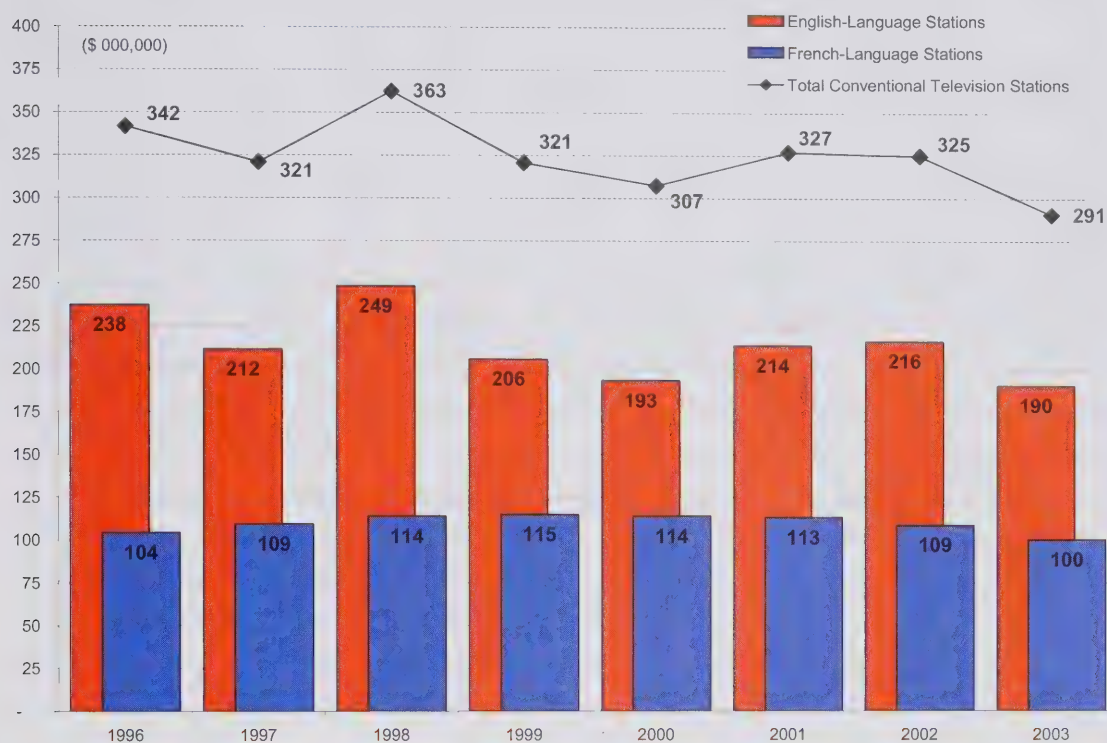


Source: CRTC Financial Database

- In 2002, the number of French-language specialty services increased from 16 to 17 with the addition of ARTV.

3. CBC Conventional Television Stations

Chart 3.14: Advertising Revenues: CBC Conventional Television Stations (Owned & Operated)



Source: Annual Financial Return filed with the CRTC

- The advertising revenues by CBC's English-language conventional television stations in 2003 represented 11% of the total advertising dollars reported by CBC & private English and third-language conventional television stations. In 1996, its share was 16%.
- The advertising revenues by CBC's French-language conventional television stations represented 24% of the total advertising dollars achieved by CBC & private French-language conventional television stations in 2003. In 1996, its share was 29%.

D. Eligible Expenditures on Canadian Programming (CPE)¹⁷

1. English-Language

Table 3.8: Private Commercial Conventional Television

Genre (\$000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
News (Cat. 1)	237,223	229,931	235,149	247,719	255,976	3%	-3%	2%	5%	3%
Other Info. (Cat. 2 to 5)	29,846	28,413	34,496	40,369	41,983	15%	-5%	21%	17%	4%
Sports (Cat. 6)	29,901	26,727	24,942	19,088	17,477	-5%	-11%	-7%	-23%	-8%
Drama & Comedy (Cat. 7)	57,818	60,443	62,594	58,589	64,706	-21%	5%	4%	-6%	10%
Music/Variety (Cat. 8 & 9)	5,515	5,368	4,163	4,583	2,251	-29%	-3%	-22%	10%	-51%
Game Show (Cat. 10)	220	41	1,590	106	75	23%	-81%	3738%	-93%	-29%
Human Interest (Cat. 11)	28,586	25,017	20,321	18,658	21,321	-22%	-12%	-19%	-8%	14%
Other (Cat. 12 to 15)	-	-	965	2,033	2,340				111%	15%
Total (Cat. 1 to 15)	389,109	375,940	384,221	391,143	406,129	-4%	-3%	2%	2%	4%

Includes ethnic stations

Source: CRTC Financial Database

Table 3.9: CBC Television

Genre (\$000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
News (Cat. 1)	97,606	100,047	59,200	130,463	131,102	81%	3%	-41%	120%	0%
Other Info. (Cat. 2 to 5)	48,079	40,086	37,143	99,929	64,447	-9%	-17%	-7%	169%	-36%
Sports (Cat. 6)	128,455	95,031	141,046	169,278	183,147	8%	-26%	48%	20%	8%
Drama & Comedy (Cat. 7)	62,016	62,407	46,212	60,702	66,676	76%	1%	-26%	31%	10%
Music/Variety (Cat. 8 & 9)	12,218	8,156	5,982	16,789	13,774	-36%	-33%	-27%	181%	-18%
Game Show (Cat. 10)	-	-	-	6,049						-100%
Human Interest (Cat. 11)	4,667	18,568	9,962	19,061	25,680	-85%	298%	-46%	91%	35%
Other (Cat. 12 to 15)	-	-	-	-	-					
Total (Cat. 1 to 15)	353,041	324,295	299,545	502,271	484,826	13%	-8%	-8%	68%	-3%

CBC introduced a new accounting system in April 1999 and in some instances new cost allocation bases are now being used. These figures are therefore not comparable.

Source: CRTC Financial Database

¹⁷ Excludes Canadian Television Fund (CTF) reported by stations and services.

Table 3.10: Pay, PPV and Specialty Services

Genre (\$000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
Specialty Services:										
Analog Services *	290,539	335,784	390,263	441,682	473,368	40%	16%	16%	13%	7%
Digital Services				34,297	36,539					7%
Pay & PPV Services	15,841	28,763	24,599	34,357	43,427	20%	82%	-14%	40%	26%
Total	306,380	364,547	414,862	510,336	553,335	39%	19%	14%	23%	8%
Number of Services Reporting:										
Analog Specialty Services	25	28	30	30	30	14%	12%	7%	0%	0%
Digital Specialty Services				45	46					2%
Pay & PPV Services	9	10	10	11	11	0%	11%	0%	10%	0%
Total	34	38	40	86	87	10%	12%	5%	115%	1%

Includes bilingual services* 2000 to 2003 includes estimated CPE for ROBTV service

Source: CRTC Financial Database

2. French-Language

Table 3.11: Private Commercial Conventional Television and SRC

Genre (\$000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
News (Cat. 1)	96,726	111,698	88,947	91,087	96,731	36%	15%	-20%	2%	6%
Other Info. (Cat. 2 to 5)	49,469	53,669	40,980	44,613	52,101	3%	8%	-24%	9%	17%
Sports (Cat. 6)	22,430	20,674	24,884	23,642	11,626	-7%	-8%	20%	-5%	-51%
Drama & Comedy (Cat. 7)	57,974	59,800	59,502	64,591	84,874	-3%	3%	0%	9%	31%
Music/Variety (Cat. 8 & 9)	38,104	37,792	24,155	32,668	26,269	17%	-1%	-36%	35%	-20%
Game Show (Cat. 10)	3,112	2,241	5,350	6,686	4,183	11%	-28%	139%	25%	-37%
Human Interest (Cat. 11)	36,173	44,012	52,584	42,179	51,675	24%	22%	19%	-20%	23%
Other (Cat. 12 to 15)	-	-	-	233	4					-98%
Total (Cat. 1 to 15)	303,989	329,887	296,403	305,701	327,463	14%	9%	-10%	3%	7%

SRC introduced a new accounting system in April 1999 and in some instances new cost allocation bases are now being used. These figures are therefore not comparable.

Source: CRTC Financial Database

Table 3.12: Pay, PPV and Specialty Services

Genre (\$000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
Specialty Services:										
Analog Services *	73,785	83,562	99,443	111,070	130,698	6%	13%	19%	12%	18%
Digital Services				n/a	n/a					
Pay & PPV Services	5,405	6,798	6,750	8,848	10,572	1%	26%	-1%	31%	19%
Total	79,190	90,360	106,193	119,918	141,270	6%	14%	18%	13%	18%
Number of Services Reporting:										
Analog Specialty Services	9	13	13	14	14	0%	44%	0%	8%	0%
Pay & PPV Services	3	3	3	3	3	0%	0%	0%	0%	0%
Total	12	16	16	17	17	0%	33%	0%	6%	0%

* 2000 to 2003 includes estimated CPE for LCN service

Source: CRTC Financial Database

3. Ethnic Specialty Services

Table 3.13: Pay & Specialty Services

Genre (\$000)	1999	2000	2001	2002	2003	Annual Growth %				
						99	00	01	02	03
Specialty Services:										
Analog Services	7,842	8,336	9,052	9,419	10,917	7%	6%	9%	4%	16%
Digital Services				262	303					16%
Total	7,842	8,336	9,052	9,681	11,220	7%	6%	9%	7%	16%
Number of Services Reporting:										
Analog Specialty Services	4	4	4	4	4	0%	0%	0%	0%	0%
Digital Specialty Services				1	1					0%
Total	4	4	4	5	5	0%	0%	0%	25%	0%

Source: CRTC Financial Database

E. Canada's Independent Production Companies

- Table 3.14 below lists Canada's top independent production companies ranked by their total production and development expenditures in 2003. Table 3.15 provides the total production and development expenditures of all Canadian independent production companies.

Table 3.14: Top Canadian Independent Production Companies in 2003 (\$ 000,000)

1.	Alliance Atlantis	\$ 188
2.	Fireworks Entertainment	110*
3.	Lions Gate Films	101
4.	Corus Entertainment	61*
5.	Pebblehut Too	60
6.	Zone3	50
7.	Temple Street	40
8.	DECODE Entertainment	37
9.	Remstar Production	31
10.	Peace Arch Entertainment	29*
11.	Brightlight Pictures	29
12.	CineGroupe	27*
13.	Knightscove Entertainment	26
Total		\$789

Source: Playback © 2004 Brunico Communications Inc. (Website: www.playbackmag.com)

Playback notes that the production companies provide the data on a voluntary basis.

* Indicates that the magazine's editorial staff have estimated this amount.

Table 3.15: All Canadian Independent Production Companies

Production and Development Expenditures (\$ in Millions)	1997	1998	1999	2000	2001	2002	2003
Total Expenditures for Companies with Expenditures Totalling:							
• \$25 million or greater % of total	976 66%	1,241 73%	1,231 71%	1,274 70%	1,121 64%	1,043 64%	789 52%
• less than \$25 million % of total	499 34%	459 27%	496 29%	557 30%	644 36%	581 36%	724 48%
Total % Annual Growth	1,475	1,700 15%	1,727 2%	1,831 6%	1,765 -4%	1,624 -8%	1,513 -7%
Number of Production Companies With Expenditures Totalling:							
• \$25 million or greater % of total	13 12%	19 16%	17 13%	15 13%	13 8%	14 8%	13 8%
• less than \$25 million % of total	97 88%	99 84%	115 87%	101 87%	142 92%	157 92%	159 92%
Total % Annual Growth	110	118 7%	132 12%	116 -12%	155 34%	171 10%	172 1%

Note: Expenditure amounts are based on information provided by production companies as well as estimates by Playback editorial staff. Expenses are reported on a calendar year basis

Source: Playback © 1997, 1998, 1999, 2000, 2001, 2002, 2003 & 2004 Brunico Communications Inc. (Website: www.playbackmag.com): Independent Production 2003, May 10, 2004 Issue; Independent Production 2002, May 12, 2003 Issue; Independent Production Companies 2001, May 13, 2002 Issue; Independent Production Companies 2000, May 14, 2001 Issue; Who spent what in '99, May 15, 2000 Issue; Independent Production- Production Companies by Volume, May 17, 1999 Issue; Independent Production- Production Companies by Volume, April 20, 1998 Issue

F. Tangible Benefits Resulting from the Transfers of Ownership or Control of Television Broadcasting Undertakings

- When considering applications to transfer ownership or control of a television undertaking, the Commission generally expects significant benefits to be offered to the community in question or to the Canadian broadcasting system as a whole. Since competing applications are not solicited, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction.
- The principal components of the Commission's policies with respect to benefits resulting from the transfer of ownership or control are set out in *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993. In *The television Policy*, the Commission amended its tangible benefits policy with respect to transfers of ownership or control involving television broadcasting undertakings. This amendment requires applicants to make commitments to clear and unequivocal tangible benefits representing financial contributions of at least 10% of the value of the transaction.

- The following table shows the number of English-language and French-language transfers of ownership or control of television broadcasting undertakings from 11 June 1999 to 30 April 2004.

Table 3.16: Value of Television Transactions and Corresponding Transfer Benefits for the Period 11 June 1999 to 30 April 2004

(\$000,000)	English-Language Services			French-Language Services			Total Benefits
	# of Trans.	Value of the Trans-action*	Benefits	# of Trans.	Value of the Trans-actions*	Benefits	
June 11/99 to July 31/01	10	3,582	374.2	3	556	55.7	429.9
Aug 1/01 to July 31/02	10	749	78.2	1	74	7.4	85.6
Aug 1/02 to July 31/03	2	1	0.4	1	1	0.0	0.4
Aug 1/03 to April 30/04	2	-	-	-	-	-	-
Total	24	4,333	452.8	5	631	63.0	515.9

* Value determined by the Commission for the purpose of calculating transfer benefits.

G. Digital Over-the-Air Television Services

- Digital television (DTV) is a new technology based on the Advanced Television Systems Committee transmission standard (A/53). The new standard has been adopted for use in Canada and is designed to replace the current analog NTSC broadcast system that has been in use in North America for over half a century. The Commission's policies are intended to encourage the transition of the Canadian broadcasting system from analog to digital and high definition technology.
- In *A licensing policy to oversee the transition from analog to digital over-the-air television broadcasting*, Broadcasting Public Notice CRTC 2002-31, 12 June 2002 (Public Notice 2002-31), the Commission sets out the policy framework for the broadcast of digital over-the-air television services. The policy framework is based on a voluntary, market-driven transition model, without mandated deadlines as well as the principle that digital technology will be treated as a replacement for analog technology.
- In Public Notice 2002-31, the Commission also determined that transitional digital licensees would be allowed to broadcast a maximum of 14 hours per week of programming that is not duplicated on the analog version of the service. A minimum of 50% of this unduplicated high definition programming must be Canadian.
- Additionally, the Commission encourages transitional DTV broadcasters to ensure that two-thirds of their schedule is available in a high definition television format (HDTV) by 31 December 2007¹⁸.

¹⁸ Consistent with recommendation eight of the Task Force on the Implementation of Digital Television report submitted to the Minister of Canadian Heritage in October 1997.

- The following table lists the eleven stations that currently hold transitional digital television licences.

Table 3.17: Over-the-Air Transitional Digital Television⁽¹⁾

Market	Language	Source Station	
Montréal	F	CFJP-TV	TQS
Toronto	F	CBLFT	SRC
	E	CBLT	CBC
	E	CITY-TV	CHUM
	E	CFTO-TV	CTV
	E	CKXT-TV	Craig
	E	CITS-TV	Crossroads (devoted to religious programming)
	E	CIII-TV-41	Global
	O/E	OMNI 1	Rogers (Ethnic station)
	O/E	OMNI 2	Rogers (Ethnic station)
Vancouver	E	CIVT-TV	CTV

(1) Number of stations approved but not necessarily on air.

Source: CRTC APP System (APP1205 run 30 July 2004)

E: English; F: French; O/E: Multi/English

H. Specialty, Pay, PPV and VOD Services

Specialty Services (Specialty Services Regulations, 1990)

- There are currently 49 Canadian analog specialty services: 28 English-language, 14 French-language, 2 bilingual (English & French) and 5 third-language¹⁹.
- There are also 18 category 1 digital specialty services: 15 English-language²⁰ services that were launched in Fall 2001 and 3 French-language²¹ services that were launched in Fall 2004. These services were approved following a competitive hearing and were licensed on a one-per-genre basis.
- Category 2 specialty services are licensed on a more competitive, open-entry basis. The Commission continues to approve additional category 2 services. To date, licences have been issued to over 291 category 2 specialty services, including 205 English-language, 13 French-language, 63 ethnic or third-language, 10 bilingual. Approximately 48 of these services, 33 English-language and 15 third-language, have been launched.

¹⁹ Languages other than English and French or those of Aboriginal Canadians

²⁰ There were 16 English-language category 1 digital specialty services authorized by the Commission in November 2000. One of these, WSTN (Women's Sport Television Network), is no longer in operation.

²¹ There were 5 French-language category 1 digital specialty services authorized by the Commission in November 2000. The licensees of Télé Ha! Ha! and Perfecto, La Chaîne have decided not to launch these services.

Pay Services (Pay Television Regulations, 1990)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- The Commission has also licensed 8 digital pay services.

Pay-Per-View (PPV) Services (Pay Television Regulations, 1990)

- There are six (terrestrial) pay-per-view services: four English-language, one bilingual (English and French) and one French-language.
- There are currently six direct-to-home (DTH) pay-per-view services: four English-language, one bilingual (English and French), and one French-language.

Vide-on-Demand (VOD) Services (Pay Television Regulations, 1990)

- As of 30 September 2004, there were 11 licensed video-on-demand programming undertakings.

1. Financial Results for Pay, PPV and Specialty Analog & Digital Services

- The following table provides the 2003 financial results²² of Pay, PPV and Specialty Analog and Digital services. Services are sorted by launch date.

Table 3.18: English-Language Analog Specialty Services

Launched	Service	Genre	August 31, 2003 (000)			
			# of Subscr.	Total Revenue \$	PBIT \$	Margin
Sep-84	- MuchMusic	Music Video - Rock/Altern./Rap	6,725	45,875	12,148	26%
	- TSN (Sports Network, The)	Sports	7,787	175,559	32,886	19%
	Average		7,256	110,717	22,517	20%
Sep-88	- YTV	Kids/Teens/Family	8,161	78,824	29,517	37%
	- Weather/Météomédia (b)	Information - Weather	9,500	37,599	8,603	23%
	- VisionTV	Religious (non-profit)	7,758	16,145	1,986	12%
Jul-89	- Newsworld	News & Information (non-profit)	9,101	69,740	(3,891)	-6%
	Average		8,630	50,577	9,054	18%
Jan-95	- Showcase	Drama & Film	5,692	39,323	2,385	6%
	- Bravo!	Perform. & Visual Arts	5,842	32,266	5,909	18%
	- Discovery Channel, The	Nature/Science & Tech.	6,790	59,747	16,356	27%
	- W (Women's Television Network)	Lifestyle - Women	6,269	42,341	12,309	29%
	- CMT (Country Music Television)	Music Video - Country	7,757	14,824	3,193	22%
	- Life Network, The	Doc. & Information	5,708	34,693	2,261	7%
Fall-97	Average		6,343	37,199	7,069	19%
	- Score, The	Sports - Video Highlights	5,318	19,246	(896)	-5%
	- Space	Science Fiction	4,751	36,517	6,446	18%
	- Teletoon/Télétoon (b)	Animated Programming	6,019	59,584	26,618	45%
	- History Television, The	Information - History	5,242	25,399	1,087	4%
	- HGTV Canada	Lifestyle - House & Garden	4,857	29,733	9,559	32%
	- Comedy Network, The	Comedy	4,821	34,779	8,935	26%
	- Outdoor Life Network	Info - Adv./Outdoor/Recreat.	4,845	12,229	3,281	27%
	- Prime TV	Lifestyle - 50+	4,893	26,307	10,953	42%
	- Newsnet	News - Headlines	7,021	13,176	(1,567)	-12%
Mar-98	- Pulse 24 (CP24)	News & Inf. - Reg. Ont.	2,704	8,316	(775)	-9%
	Average		5,047	26,529	6,364	24%
Fall 98	- MuchMoreMusic	Music Video - Adult Contemp.	5,956	14,472	3,834	26%
	- Treehouse	Children	5,299	8,732	3,448	39%
	- Rogers Sportsnet	Sports	6,784	104,709	4,977	5%
Fall 99	Average		6,013	42,637	4,086	10%
	- Canadian Learning Channel (CLT)	Learning / Education	3,580	11,493	4,045	35%
	- Star-TV	Entertainment Info	3,842	13,784	2,545	18%
	- ROBTv	News - Business	4,388	16,169	551	3%
Fall 00	Average		3,937	13,815	2,380	17%
	- Food Network Canada	Lifestyle - Food	4,048	17,563	5,713	33%
	- Talk-TV	Information - Talk	4,296	4,563	2,713	59%
	Average		4,172	11,063	4,213	38%
TOTAL - English-Language Specialty Services			30	1,103,706	215,129	19%
Average			5,858	36,790	7,171	

Note: (b) = bilingual

²² Based on services reporting to the CRTC.

**Table 3.19: French-Language Analog
Specialty Services**

<u>Launched</u>	<u>Service</u>	<u>Genre</u>	August 31, 2003 (000)			
			# of Subscr.	Total Revenue \$	PBIT \$ Margin	
Sep-88	- VRAK TV (Canal Famille)	Children / Family Progr.	2,210	17,095	6,351	37%
	- MusiquePlus	Music Video	2,064	15,607	1,723	11%
	- RDS (Réseau des Sports)	Sports	2,148	76,932	15,650	20%
	- TV5	Cdn./ Intern. Franc. Progr. (Non-Profit)	5,952	12,043	(32)	0%
	- Météomédia/Weather (b)	Information - Weather	n/a	n/a	n/a	n/a
Average			3,094	4	30,419	5,923 19%
Jan-95	- Canal D	Doc / Films / Series / Perf. Arts	2,105	24,698	10,006	41%
	- RDI (Réseau de l'information)	News & Information (Non-Profit)	9,034	42,006	228	1%
	Average		5,570	2	33,352	5,117 15%
Sep-97	- Canal Vie	Lifestyle / Health	1,721	27,890	11,503	41%
	- LCN - Le Canal Nouvelles	News & Information	1,644	16,241	8,153	50%
	- Musimax	Music Video - All Forms	1,612	8,050	1,292	16%
	- Teletoon/Télétoon (b)	Animated Programming	n/a	n/a	n/a	n/a
	Average		1,659	3	17,394	6,983 40%
Jan-00	- Canal Évasion	Tourism / Adv. / Travel	1,123	4,373	(134)	-3%
	- Canal Z	Science/Tech/Sc.Fiction	1,129	9,848	(844)	-9%
	- Historia	History	1,129	7,619	(1,104)	-14%
	- Séries+	Cdn. & Intern. Drama Progr.,	1,129	13,596	3,617	27%
	Average		1,127	4	8,859	383 4%
Fall 01	- ARTV	Arts	1,557	1	10,925	(67) -1%
TOTAL - French-Language Specialty Services			16	286,922	56,341	20%
Average			2,468	14	20,494	4,024

(b) Denotes bilingual (English and French) services. Financial results for these services are reported with English-language specialty services

**Table 3.20: Ethnic Specialty
Analog Services**

<u>Launched</u>	<u>Service</u>	<u>Language</u>	August 31, 2003 (000)			
			# of Subscr.	Total Revenue \$	PBIT \$ Margin	
1984	- Fairchild TV	Chinese -Predominately Cantonese	313	21,004	3,446	16%
1984	- Telelatino	Italian / Hispanic	3,229	12,277	4,032	33%
1992	- Talentvision	Chinese -Predominately Mandarin	183	3,477	(957)	-28%
1997	- ATN (Asian Television Network)	South Asian - Predominately Hindi	52	3,775	378	10%
1999	- Odyssey	Greek	11	820	117	14%
TOTAL - Ethnic Specialty Services			5	41,354	7,015	17%
Average				8,271	1,403	

Table 3.21: English and French-Language Pay & PPV Services

<u>Launched</u>	<u>Name</u>	<u>Lang./Type</u>	August 31, 2003 (000)			
			# of Subscr.	Total Revenue \$	PBIT \$	Margin
1983-4	- SuperÉcran	<i>f</i> PAY	453	45,558	13,106	29%
	- MovieCentral (SuperChannel)	<i>e</i> PAY	548	62,891	20,849	33%
	- TMN (Movie Network, The)	<i>e</i> PAY	892	89,427	18,686	21%
1988	- Family Channel, The	<i>e</i> PAY	4,538	41,343	13,913	34%
1992	- Shaw Pay-Per-View	<i>e</i> Terrestrial PPV	475	14,837	2,247	15%
	- Viewers Choice Canada	<i>e</i> Terrestrial PPV	986	20,970	4,729	23%
1995	- Encore Avenue (MovieMax!)	<i>e</i> PAY	369	8,756	4,556	52%
	- Moviepix!	<i>e</i> PAY	1,206	15,597	6,859	44%
1997	- Canal Indigo	<i>f</i> Terrestrial PPV	376	4,437	(371)	-8%
	- Canal Indigo	<i>f</i> DTH PPV	186	1,491	466	31%
	- Shaw Pay-Per-View	<i>e</i> DTH PPV	277	5,095	1,170	23%
	- Viewers Choice Canada	<i>e</i> DTH PPV	322	5,148	2,033	39%
Subtotal (Services launched 1983 to 1997)				315,552	88,244	28%
2000	- Bell ExpressVu	<i>b</i> DTH PPV	<i>na</i>	29,437	3,446	12%
2001	- Bell ExpressVu	<i>b</i> Terrestrial PPV	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>
2001	- Breakaway	<i>e</i> Terrestrial & DTH PPV	<i>na</i>	1,821	-	0%
Total Pay & PPV Services - English & French-Languages			15	346,810	91,690	26%

Table 3.22: Digital Category 1 and 2 Pay & Specialty Services

				August 31, 2003 (\$'000)			
<u>Launched</u>	<u>Service</u>	<u>Genre</u>	<u>Type</u>	<u># of</u>	<u>Revenue</u>	<u>PBIT</u>	
				<u>Subscr.</u>	\$	\$	
Category 1 Digital Services: English Language							
Fall 01	1 Biography Channel, The	Biographies	Sp 1	619	3,264	(648)	-20%
	2 Book Television: The Channel	Literature	Sp 1	507	2,433	(104)	-4%
	3 Canadian Documentary Channel, The	Documentary	Sp 1	624	2,605	(1,252)	-48%
	4 Country Canada	Rural Info & Entertainment	Sp 1	522	1,934	(2,064)	-107%
	5 CTV Travel (Travel TV)	Travel	Sp 1	490	2,513	(894)	-36%
	6 Discovery Health Network	Health	Sp 1	639	2,697	(3,247)	-120%
	7 Fashion Television: The Channel	Fashion/Art	Sp 1	573	2,581	(953)	-37%
	8 iChannel	Public Affairs	Sp 1	640	2,146	(2,248)	-105%
	9 Independent Film Channel, The	Independent Film Productions	Sp 1	726	3,139	(4,133)	-132%
	10 Men TV (M)	Men	Sp 1	632	2,964	(822)	-28%
	11 MTV Canada	Teen	Sp 1	630	6,576	(3,300)	-50%
	12 Mystery	Mystery & Suspense	Sp 1	687	3,271	(1,135)	-35%
	13 One: Canada's Mind, Body & Spirit Channel	Holistic Health	Sp 1	745	2,636	(767)	-29%
	14 PrideVision	Gay/Lesbian	Sp 1	21	1,618	(1,395)	-86%
	15 TechTV	Technology	Sp 1	620	3,210	(35)	-1%
	16 WTSN (1)	Women's Sports	Sp 1	427	1,422	(3,173)	-223%
Category 1 Digital Services - Total				16	45,010	(26,171)	-58%
Average				569	2,813	(1,636)	

Table 3.22: Digital Category 1 and 2 Pay & Specialty Services (Cont'd)

				August 31, 2003 (\$000)				
Launched	Service	Genre	Type	# of	Revenue	PBIT	Margin	
				Subscr.	\$	\$		
Category 2 Digital Services: English Language								
Fall 01	1	Animal Planet	Animals	Sp 2	917	2,249	(1,023)	-45%
	2	BBC Canada	UK Drama	Sp 2	695	2,954	(3,010)	-102%
	3	BBC Kids	Kids & Youth	Sp 2	339	1,186	(3,664)	-309%
	4	BPM:TV	Dance	Sp 2	368	443	(379)	-86%
	5	Court TV Canada	Law & Order	Sp 2	822	3,254	(763)	-23%
	6	DejaView	Classic Drama	Sp 2	669	2,363	(943)	-40%
	7	Discovery Civilization Channel	People/History	Sp 2	595	1,518	(1,123)	-74%
	8	Discovery Kids	Kids & Youth	Sp 2	592	1,923	(1,151)	-60%
	9	Drive In Classics	B Movies	Sp 2	479	1,640	(395)	-24%
	10	Edge TV (1)	Alternative Music Video	Sp 2	328	461	(2,959)	-642%
	11	ESPN Classics	Classic Sports	Sp 2	435	1,437	(2,267)	-158%
	12	Fox Sports World	Cricket/Rugby/Soccer	Sp 2	479	1,934	(2,623)	-136%
	13	Green Channel, The	Environmental Issues	Sp 2	23	77	(956)	-1239%
	14	Leafs TV	Maple Leaf Hockey	Sp 2	85	1,109	(5,016)	-452%
	15	Lonestar	Action/Western Drama	Sp 2	643	2,478	(337)	-14%
	16	MSNBC Canada	US & Cdn. News	Sp 2	286	1,105	(497)	-45%
	17	MTV 2	Pop Music Video	Sp 2	223	451	(1,590)	-353%
	18	MuchLOUD	Hard Rock/ Alternative Music	Sp 2	30	104	(507)	-489%
	19	MuchVibe	Urban Music Video	Sp 2	357	453	(297)	-66%
	20	National Geographic Channel	Geography/ Science	Sp 2	642	2,902	(4,418)	-152%
	21	NHL Network, The	Hockey	Sp 2	446	3,306	(3,342)	-101%
	22	Racing Network Canada, The	Horse Racing	Sp 2	254	1,110	(9,380)	-845%
	23	Raptors NBA TV	Raptors Basketball	Sp 2	409	2,720	(2,397)	-88%
	24	Scream	Horror Drama	Sp 2	775	2,581	(979)	-38%
	25	SexTV: The Channel	Sex/ Relationships	Sp 2	465	1,705	(1,050)	-62%
	26	Showcase Action	Action Drama	Sp 2	885	4,296	(2,463)	-57%
	27	Showcase Diva	Romance Drama	Sp 2	766	3,512	(3,313)	-94%
	28	TV Land	Classic Drama	Sp 2	608	2,500	(1,641)	-66%
	29	Xtreme Sports	Extreme Sports	Sp 2	441	1,798	(422)	-23%
	30	Moviola (2)	Short film	Sp 2	459	1,699	(172)	-10%
Total Category 2 Digital Services - English Language				30	55,268	(59,076)	-107%	
Average				484	1,842	(1,969)		
Category 2 Digital Services: Third Language								
Fall 01	1	Festival Portuguese Television	Portuguese	Sp 2	6	1,000	(186)	-19%
	2	Odyssey 2	Ethnic - Greek	Sp 2	3	194	33	17%
	3	SSTV	50% Punjabi & 25% Hindi	Sp 2	6	402	16	4%
Total Category 2 Digital Services - Third Language				3	1,597	(138)	-9%	
Average				5	532	(46)		
Category 2 Digital Services - Total				33	56,864	(59,214)	-104%	
Average				440	1,723	(1,794)		
Total Category 1 & 2 Digital Services				49	-	101,874	(85,385)	-84%
Average				482	2,079	(1,743)		

Table 3.23: Summary Totals Specialty, Pay & PPV Services

	Number of Units Reporting	August 31, 2003 (\$000)		
		Revenue	PBIT	Margin
		\$	\$	
English-Language Analog Specialty Services	30	1,103,706	215,129	19%
English-Language Category 1 Digital Specialty Services	16	45,010	(26,171)	-58%
English-Language Category 2 Digital Specialty Services	30	55,268	(59,076)	-107%
<i>Total English-Language Specialty Services</i>	<i>76</i>	<i>1,203,984</i>	<i>129,881</i>	<i>11%</i>
French-Language Specialty Services	14	286,922	56,341	20%
Third-Language Specialty Services	5	41,354	7,015	17%
Third-Language Category 2 Digital Specialty Services	3	1,597	(138)	-9%
<i>Total Third-Language Specialty Services</i>	<i>8</i>	<i>42,951</i>	<i>6,877</i>	<i>16%</i>
Total Specialty Services (2)	98	1,533,856	193,100	13%
Pay & PPV Services (English & French-language)	14	346,810	91,690	26%
Total Specialty, Pay & PPV Services	112	1,880,666	284,790	15%

Notes to tables 3.18 to 3.23:

(b) Denotes bilingual (English / French) service. Financial results for this service are reported with the English-language specialty services.

(1) As of 3 November 2003, Edge TV and WTSN were no longer broadcasting.

(2) Includes revised 2003 financial results for the English-language category 2 digital specialty service Moviola.

Legend:

Language: E-English; F-French; B-English/French

Type: Sp 1-Digital Category 1 Specialty; Sp 2-Digital Category 2 Specialty; Pay 2- Category 2 Digital Pay Service; PPV- Terrestrial Pay-Per-View Service; DTHPPV-Direct-to-home Pay-Per-View Service

Source: CRTC Financial Database

2. Companies with Significant Ownership Interests in Specialty, Pay, PPV and VOD Analog and Digital Services

Table 3.24: The following Table Provides a Listing of the Companies with Significant Ownership Interest in Specialty, Pay, PPV and VOD Services as at 31 July 2004

Alliance Atlantis	Language	Direct/Indirect Voting Interest
Analog Specialty Services:		
• Life Network, The	e	100%
• Showcase	e	100%
• History Television, The	e	100%
• HGTV Canada (Home & Garden Television)	e	80.24%
• Food Network Canada	e	57.61%
• Séries+	f	50%
• Historia	f	50%
• The Score (Headline Sports)	e	25.98%
Category 1 Digital Specialty Services:		
• Independent Film Channel, The	e	95%
• Discovery Health Network	e	80%
• PrideVision	e	2.57%
• One: The Body, Mind & Spirit	e	29.9%
Category 2 Digital Specialty Services:		
• Showcase Diva	e	100%
• Showcase Action	e	100%
• BBC Canada	e	80%
• BBC Kids	e	80%
• National Geographic Canada	e	64%
• Scream	e	49%
Astral Media	Language	Direct/Indirect Voting Interest
Analog Specialty Services:		
• VRAK-TV (Canal Famille)	f	100%
• Canal D	f	100%
• Canal Vie	f	100%
• Canal Z	f	100%
• Historia	f	50%
• Séries+	f	50%
• MusiquePlus	f	50%
• Musimax	f	50%
• Teletoon / Télétoon	b	40%
Pay Services:		
• Moviepix! (The Classic Channel)	e	100%
• TMN (Movie Network, The)	e	100%
• SuperÉcran	f	100%
• Family Channel, The	e	100%
PPV Services: (Terrestrial & DTH):		
• Viewers Choice Canada	e	50.1%
• Canal Indigo	f	20.04%

BCE	Language	Direct/Indirect Voting Interest
PPV Service (Terrestrial & DTH):		
• Bell ExpressVu	b	100%
Bell Globemedia BCE Inc. holds 68.5% voting interest in Bell Globemedia Inc.		
Analog Specialty Services:		
• Newsnet	e	100%
• TalkTV	e	100%
• ROBTv	e	100%
• Comedy Network, The	e	100%
• TSN (Sports Network, The)	e	80%
• RDS - Réseau des Sports	f	80%
• Discovery Channel, The	e	64%
• Outdoor Life Network (OLN)	e	33.34%
• ARTV	f	16%
Category 1 Digital Specialty Services:		
• CTV Travel	e	100%
• WTSN (2)	e	80%
• RDS Info-Sports (Réseau Info Sports)	f	80%
Category 2 Digital Specialty Services:		
• ESPN Classic Canada	e	80%
• Discovery Civilization Channel	e	64%
• Animal Planet	e	64%
• NHL Network, The	e	17.14%
• Raptors NBA-TV	e	15.44%
• Leaf TV	e	15.44%
PPV Services (Terrestrial & DTH):		
• Viewer's Choice Canada	e	19.96%
• Canal Indigo (4)	f	15.98%

CanWest	Language	Direct/Indirect Voting Interest
Analog Specialty Service:		
• Prime TV	e	100%
Category 1 Digital Specialty Services:		
• MenTV (M)	e	49%
• Mystery	e	50%
• Canal Mystère (13ième rue) (5)	f	45.05%
Category 2 Digital Specialty Services:		
• Cool TV	e	100%
• DejaView	e	100%
• Fox Sports World Canada	e	100%
• Lonestar	e	100%
• Xtreme Sports	e	100%

CBC / SRC	Language	Direct/Indirect Voting Interest
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Analog Specialty Services:

• Newsworld	e	100%
• RDI – Réseau de l'information	f	100%
• ARTV	f	37%

Category 1 Digital Specialty Services:

• Country Canada	e	100%
• Canadian Documentary Channel, The	e	29%

Pay Service:

• Galaxie (Pay Audio)	e/f	100%
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CHUM	Language	Direct/Indirect Voting Interest
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Analog Specialty Services:

• Bravo!	e	100%
• MuchMusic	e	100%
• MuchMoreMusic	e	100%
• Space	e	100%
• Star-TV	e	100%
• Pulse24 (CP24)	e	70.1%
• Canadian Learning Television (CLT)	e	60%
• MusiquePlus	f	50%
• Musimax	f	50%

Category 1 Digital Specialty Services:

• FashionTelevision: The Channel	e	100%
• Book Television: The Channel	e	60%

Category 2 Digital Specialty Services:

• Drive-in Classics	e	100%
• MuchLOUD	e	100%
• MuchMoreRETRO	e	100%
• MuchVibe	e	100%
• SexTV: The Channel	e	100%
• Court TV Canada	e	60%

Cogeco	Language	Direct/Indirect Voting Interest
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PPV (Terrestrial & DTH) & VOD Services:

• Canal Indigo – PPV	e	32%
• Cogeco Câble – Regional VOD	e/f	100%

Corus (1)	Language	Direct/Indirect Voting Interest
Analog Specialty Services:		
• YTV	e	100%
• TreeHouse	e	100%
• W (Women's Television Network)	e	100%
• CMT (Country Music Television)	e	90%
• Telelatino (Ethnic Service: Italian & Hispanic/Spanish)	o	50.5%
• Teletoon/Télétoon*	b	40%
• Food Network Canada	e	22.59%
Category 1 Digital Specialty Services:		
• Canadian Documentary Channel, The	e	53%
Category 2 Digital Specialty Services:		
• Edge TV (3)	e	100%
• Discovery Kids	e	80%
• Scream	e	51%
• Video Italia (Ethnic Service)	o	50.5%
• Leonardo World (Ethnic Service)	o	50.5%
Pay & VOD Services:		
• MovieCentral (SuperChannel) – Pay	e	100%
• Encore Avenue (MovieMax!) – Pay	e	100%
• MaxTrax (Pay Audio)	e/f	100%
• National VOD	e/f	100%

*20% of the 40% voting interest is held by Nelvana Limited, a company that produces and distributes children and family productions. Corus Entertainment Inc. holds 97.71% voting interest in Nelvana Limited. Corus also holds 7.41% voting interest in Astral Media Inc.

Quebecor Media	Language	Direct/Indirect Voting Interest
• Quebecor inc. holds 54.72% in Quebecor Media Inc.		
Analog Specialty Services:		
• Pulse 24 (CP24)	e	29.9%
TVA Group Inc.		
• Quebecor Media Inc. holds 99.9% voting interest in TVA Group Inc.		
Analog Specialty Services:		
• LCN - Le Canal Nouvelles	f	100%
• Canal Évasion	f	8.31%
Category 1 Digital Specialty Services:		
• MenTV (M)	e	51%
• Mystery	e	50%
• LCN Argent (LCN Affaires)	f	100%
• Canal Mystère (13ième rue) (5)	f	45.05%
PPV (Terrestrial & DTH) and VOD Services:		
• Canal Indigo – PPV	f	20%
• Illico sur demande – Regional VOD	f/e	94.5%

Rogers Media	Language	Direct/Indirect Voting Interest
Analog Specialty Service:		
• Rogers Sportsnet	e	80%
• Outdoor Life Network (OLN)	e	33.3%
Category 1 Digital Specialty Services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
• Canal Mystère (13ième rue) (5)	f	9.9%
Category 2 Digital Specialty Services:		
• MSNBC Canada	e	33.3%
PPV (Terrestrial & DTH) and VOD Services:		
• Sports/Specials Pay-per-View – PPV	e	80%
• Viewer's Choice Canada – PPV	e	24.95%
• Canal Indigo – PPV	f	9.98%
• Rogers Cable – Regional VOD	e/f	100%

Note: Rogers also holds 7.20% voting interest in Astral Media and 10.82% voting interest in Rawlco Inc. Rogers also holds 4.01% and 5.30% voting interests in Cogeco Câble Inc. and Cogeco Inc. respectively.

Shaw (1)	Language	Direct/Indirect Voting Interest
Category 1 Digital Specialty Services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
Category 2 Digital Specialty Service:		
• MSNBC Canada	e	33.33%
PPV & VOD Services (Terrestrial & DTH):		
• Shaw Pay-per-View – PPV	e	100%
• Videon CableSystems Inc., Regional VOD	e/f	100%

Sources: CRTC Acquisition & Ownership Policy Section, Industry Analysis Division and CRTC Decisions

Notes to Table 3.24:

- Legend: Language: e = English; f = French; o = Other; b=English/French; PPV = Pay-Per-View; VOD = Video-on-Demand
- Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
- Includes only category 2 services that have been launched as of 31 July 2004.
 - (1) Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as J.R. Shaw has voting control of both companies.
 - (2) As of 30 September 2003 WTSN was no longer broadcasting.
 - (3) As of 3 November 2003, Edge TV was no longer broadcasting.
 - (4) Comprised of 8% held through TQS inc. and 7.98% held through Viewer's Choice Canada.
 - (5) As of September 2004, Quebecor owns 100% of Canal Mystère.

I. Ethnic Programming Services

- Section 3 (d) (iii) of the *Broadcasting Act* (the Act) states, in part, that the Canadian broadcasting system should reflect the circumstances and aspirations of all Canadians including the multicultural and multiracial nature of Canadian society.
- The principal components of the Commission's policy on ethnic broadcasting are set out in the *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (the Ethnic Policy). Among other things, the policy provides a framework for the licensing of an array of radio and television services in languages relevant to Canadian ethnocultural communities.
- Pursuant to the Ethnic Policy, ethnic television stations are required to devote at least 60% of their schedules to ethnic programming, and at least 50% of their schedules must consist of third-language programming.
- Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles. Such programming may be in any language or combination of languages.
- Third-language programming is programming in languages other than English and French or those of Aboriginal Canadians.

1. Over-the-air Ethnic Television Stations

As a way of reflecting the circumstances and aspirations of the multicultural and multi-racial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations serving the following markets:

i) [Montréal](#)

CJNT-TV was approved in August 1995. This station is currently owned and operated by Global Communications Limited.

CJNT-TV is required to broadcast ethnic programs directed towards not less than 18 distinct ethnic groups monthly and 25 annually. It also broadcasts in at least 15 different languages monthly and 25 annually.

ii) [Toronto](#)

There are currently two ethnic conventional television stations licensed to serve the Toronto market. Both of these stations are owned and operated by Rogers Broadcasting Limited.

- **OMNI 1** (formerly CFMT-TV) operates in the metropolitan Toronto/Hamilton area with retransmitters in Ottawa and London making it available to approximately 70% of all Ontario residents²³. This station was approved in December 1978.

OMNI 1 is required to broadcast on a monthly basis, ethnic programs directed towards not less than 18 distinct ethnic groups in a minimum of 15 different languages.

- **OMNI 2** was approved in April 2002. This station provides programming of interest to the Asian and African communities in the Toronto/Hamilton area with transmitters²⁴ in Ottawa and London.

OMNI 2 was launched in September 2002 and is required to broadcast to a minimum of 22 ethnic groups in at least 18 different languages per month.

iii) Vancouver

Channel M was approved in February 2002. This station is operated by Multivan Broadcast Limited Partnership and was launched on June 27, 2003. In *CHNM-TV Vancouver – New transmitter in Victoria*, Broadcasting Decision CRTC 2003-594, 3 December 2003, the Commission also approved a retransmitter in the Victoria market.

Channel M is required to broadcast ethnic programming directed to at least 22 ethnic groups in a minimum of 22 distinct languages per month.

The following table outlines the languages of ethnic programming scheduled for broadcast during a typical week in September 2004. This information was provided by each station.

²³ Licence renewal for ethnic television station CFMT-TV, Decision CRTC 2000-772, 21 December 2000

²⁴ CJMT-TV (OMNI 2) Toronto – New transmitters in Ottawa and London, Broadcasting Decision CRTC 2003-602, 17 December 2003

Table 3.25: Number of Ethnic Programming Hours Scheduled for Broadcast During a Typical Week in September 2004

Language	CJNT-TV Montréal	OMNI 1 Toronto (1)	OMNI 2 Toronto (1)	Channel M Vancouver	Total
Third-Language Ethnic Programming					
- African				1.0	1.0
- Albanian		1.0			1.0
- Amharic			1.0		1.0
- Arabic	9.0		2.0	2.0	13.0
- Armenian	1.5	2.0			3.5
- Bengali			1.0		1.0
- Chinese – Cantonese	2.0		17.0	13.0	32.0
- Chinese – Mandarin	2.0		10.5	7.0	19.5
- Czech		1.0		0.5	1.5
- Creole	4.0				4.0
- Estonian		0.5			0.5
- German	2.0	0.5		2.0	4.5
- Greek	5.0	4.0		1.5	10.5
- Hebrew	1.5				1.5
- Hindi	2.5		14.0	1.5	18.0
- Hungarian		1.0		1.0	2.0
- Italian	20.5	22.0		2.5	45.0
- Japanese			1.0	2.0	3.0
- Korean			1.5	3.0	4.5
- Latvian		0.5			0.5
- Lithuanian		0.5			0.5
- Macedonian		2.0		2.0	4.0
- Malayalam			1.0		1.0
- Maltese		1.0			1.0
- Persian – Farsi	1.5		2.0	2.0	5.5
- Filipino – Tagalog			1.0	2.0	3.0
- Polish	2.5	3.0		3.5	9.0
- Portuguese	2.0	15.0		0.5	17.5
- Portuguese / Brazilian	4.0				4.0
- Punjabi			3.0	9.0	12.0
- Pushto			1.0		1.0
- Romanian	1.5	1.0		1.0	3.5
- Russian	1.5	4.5		2.5	8.5
- Sinhalese			1.0		1.0
- Somali			1.0		1.0
- Spanish	7.5	3.0		4.5	15.0
- Tamil			1.5		1.5
- Turkish			1.0		1.0
- Ukrainian		3.0		2.0	5.0
- Urdu			3.0		3.0
- Vietnamese			2.0		2.0
- Various (Ind. Producers Series)		2.0	2.0		4.0
Total Third Language	70.5	67.5	67.5	66.0	271.5
Number of 3rd Languages	17	18	19	22	
English & French-Language Ethnic Programming					
- English	1.5	12.5	21.0	18.0	53.0
- French	2.5		1.5		4.0
Total English & French	4.0	12.5	22.5	18.0	57.0
Total Ethnic Programming	74.5	78.5	90.0	84.0	328.5

Source: CJNT-TV, OMNI 1, OMNI 2 & Channel M: - based on a typical weekly schedule in September 2004

(1) OMNI 1 and OMNI 2 are rebroadcast over the air into the London and Ottawa markets.

2. Ethnic Pay & Specialty Services

In addition to ethnic conventional broadcasting services, the Commission has also licensed a number of Canadian ethnic specialty services.

a) Analog Ethnic Specialty Services

There are five national Canadian analog ethnic specialty services offering programming in a variety of languages. These services are currently distributed either on a stand-alone basis or as part of a package with other discretionary services and are available to subscribers for a fee in addition to the basic monthly fee.

- Fairchild Television offers programming predominantly in Cantonese. The service was approved by the Commission in May 1984.
- Telelatino provides programs directed to Italian and Hispanic/Spanish audiences. The Commission approved this service in May 1984.
- Talentvision provides programming predominantly in Mandarin, complemented by some programming in Vietnamese and Korean. The service was approved by the Commission in December 1993²⁵.
- Asian Television Network (SATV) serves South Asian communities in 15 South Asian languages, predominantly Hindi, supplemented by programming in English. The service was approved by the Commission in September 1996.
- Odyssey provides programming intended for the Greek community. With the exception of a small amount of news programming, 100% of its programming is in Greek. The service was approved by the Commission in September 1996.

b) Category 2 Digital Ethnic Pay & Specialty Services

As of September 30, 2004, the Commission has approved over fifty ethnic category 2 digital pay & specialty services. Of these, sixteen (15 specialty & 1 pay) have been launched.

- All TV (Doragi Television Network) is a national specialty service directed to the Korean / Korean-speaking community. 90% of the programming is in Korean.
- ATN Alpha Punjabi is a national specialty service directed to the Punjabi speaking community. 100% of this service's programming is in Punjabi.
- ATN B4U Hindi (Hindi Movie Channel) is a national pay service devoted predominantly to Hindi movies. 90% of all programming is in Hindi.

²⁵ Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

- ATN Tamil Channel is a national specialty service directed to the Tamil speaking community. 100% of the programming broadcast is in Tamil.
- ARY Digital (Urdu Channel) is a national specialty service directed to the Urdu-speaking community. 100% of the programming broadcast is in Urdu.
- ECG Filipino (Filipino TV) is a national ethnic specialty service directed to the Filipino-speaking community. 90% of the programming broadcast is in Filipino.
- Festival Portuguese Television is a national specialty service directed to the Portuguese speaking community. 90% of its programming is in Portuguese.
- Inter TV (Ukrainian TV1) is a national specialty service directed to the Ukrainian-speaking community. 90% of its programming is in Ukrainian.
- ITBC Television Canada (*NTI Tamil Service*) is a national specialty pay service targeting the Tamil-speaking community. 90% of the programming is in Tamil.
- Odyssey 2 is a national specialty service directed to Greek-speaking audiences. 100% of the programming is in Greek.
- Persion Vision is a national specialty service directed to the Persian community. 85% of the programming is in Farsi.
- RTVi (Russian TV1) is a national specialty service directed to the Russian-speaking community. 90% of the programming is in Russian.
- SBTN (Vietnamese TV) is a national specialty service directed to the Vietnamese-speaking community. 90% of the programming is in Vietnamese.
- S.S.TV is a national specialty service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information concerns in East Indian countries and Punjabi communities in Canada. Not less that 50%, 25% and 25% of all programming will be in the Punjabi-, Hindi- and English-languages respectively.
- Salt & Light Television (Inner Peace Television Network) is a national specialty service devoted to providing religious programming from the single point-of-view of the Roman Catholic faith. The service targets Italian-, Spanish-, Portuguese-, Polish-, Filipino-, English- and French-speaking audiences.
- Tamil Vision (Tamil Channel) is a national specialty service directed to the Tamil-speaking community. 90% of the programming is in Tamil.

c) Non-Canadian Third-Language Programming Services Eligible for Distribution in Canada

- The Commission also authorizes non-Canadian third-language programming services that may be distributed by broadcasting distribution undertakings in Canada. There are currently 19 third-language programming services authorized for distribution.²⁶

J. Native Television Services

Section 3(1)(o) of the *Act* states that programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available. The Commission's native broadcasting policy is set out in *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990.

The primary role of Aboriginal broadcasters is to address the specific cultural and linguistic needs of their audiences while creating an environment in which Aboriginal artists and musicians, writers and producers, can develop and flourish. Native undertakings have a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.

There are currently 10 originating and 95 rebroadcasting native television stations in operation. The Commission has also licensed two native television networks:

- Native Communications Inc. (NCI)
- Wawatay Native Communications

In addition, the Commission has licensed the national aboriginal television programming service, Aboriginal Peoples Television Network (APTN) and has given it mandatory carriage under an order issued pursuant to section 9(1)(h) of the *Act*.

K. Religious Television Stations

The Commission's religious policy is set out in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993. This policy governs over-the air, specialty and foreign religious services. Pursuant to this policy, a religious program is defined as one which deals with a religious theme, including programs that examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.

²⁶ See table 3.27 Non-Canadian Satellite Services Authorized in Canada.

1. Over-the-air Religious Television Stations

There are five over-the-air religious television stations:

- The Miracle Channel (CJLT-TV) Lethbridge, Alberta
- Crossroads Television System (CITS-TV) Burlington, Ontario. The station serves the Hamilton, Burlington, St. Catharines and Toronto markets. It also has rebroadcasting transmitters in the Ottawa and London markets.
- CFEG-TV, Abbotsford, British Columbia
- Trinity Television (CHNU-TV), Fraser Valley, British Columbia
- On 8 August 2002 the Commission approved an application by Trinity Television Inc. for a religious television station to serve the Winnipeg area.²⁷

2. Specialty Religious Services

- Vision TV is an English-language, national, multi-faith religious specialty programming service that launched in September 1988.
- Inner Peace Television Network (IPTN) is a national ethnic category 2 specialty television service devoted to providing Roman Catholic religious programming.

3. Foreign Religious Services

- The only foreign religious service being carried by Canadian distributors at this time is the Eternal Word Television Network (EWTN), a single point of view Catholic religious service.

L. The National Public Broadcaster

The Canadian Broadcasting Corporation / Société Radio-Canada (CBC/SRC) is Canada's national public broadcaster. As such, pursuant to section 3(1)(l) of the Act, it should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

1. Over-the-air Conventional Television Stations

CBC/SRC operates two national television conventional network services – one in English and the other in French. CBC/SRC also provides distinctive television service in Northern Canada, broadcasting in English, French and eight Aboriginal-languages. Privately owned stations affiliated with the CBC/SRC help it to reach Canadians.

²⁷ In *Deadline to commence operations*, Broadcasting Decision CRTC 2004-279, 19 July 2004, the Commission extended the time limit to commence operations to 30 November 2005.

Table 3.26: CBC owned and affiliated English and French-language television stations

	English	French	Total
CBC/SRC owned stations	15	8	23
CBC/SRC rebroadcasters	455	173	628
Private affiliated stations	15	5	20
Private affiliated rebroadcasters	35	13	48
Community owned rebroadcasters	145	11	156

Source: CBC / SRC

2. Specialty Services

CBC/SRC owns and operates the following specialty services:

- CBC Newsworld is a national English-language news and information specialty service.
- Le Réseau de l'information (RDI) is a national French-language news and information specialty service.
- Country Canada is a national English-language category 1 digital specialty service.

CBC/SRC also has partial ownership interests in the following specialty services:

- ARTV (Télé des arts) is a national French-language arts specialty service (37%).
- The Canadian Documentary Channel is a national English-language category 1 digital specialty service that broadcasts documentary programming on a 24-hour basis (29%).

M. Community-Based Television

- The role of community-based television is primarily to provide a public service, facilitating self-expression through free and open access to members of the community. As such, at least 60% of the programming aired during each broadcast week is comprised of local community television programming.
- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61), the Commission set out an integrated policy framework for community-based media. The objective of this policy is to ensure the creation and exhibition of more locally produced, locally-reflective community programming and to foster a greater diversity of voices and alternative choices by facilitating new entrants at the local level.

- Public Notice 2002-61 replaced the 1991 Community Channel Policy²⁸ establishing a new licensing framework for community channels. It also established a new class of broadcasting licence for the provision of community programming called “community-based television programming undertakings”²⁹

In situations where the cable company does not provide a community channel, or does not operate a community channel in accordance with the provisions of the Commission’s policy, community groups may apply for a community programming service licence. The licensees of these services must be non-profit organizations with membership, management and programming that is mainly from the community. There are currently 12 such services licensed in Canada.

N. Non-Canadian Satellite Services Authorized in Canada

- The Commission’s policy precludes the addition of non-Canadian services to the lists if the Commission determines them to be either partially or totally competitive with Canadian specialty or pay television services. This serves to ensure that the Canadian licensed services are in a position to fulfil their commitments and obligations regarding the airing of Canadian programming, a responsibility that their non-Canadian competitors do not have.
- *In Review of the approach to assessing requests to add non-Canadian third-language services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-53, 15 July 2004, the Commission called for comments on whether there are ways to improve access by Canadians to non-Canadian third-language programming, while continuing to foster Canadian third-language and other ethnic services, in accordance with the objectives set out in the Act.
- There are currently 107 non-Canadian services authorized for distribution in Canada by digital distributors broadcasting in 23 languages from approximately 21 countries. 75 of these services are also authorized for distribution by broadcasting distribution undertakings on an analog basis.
- *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2004-88, 18 November 2004, lists eligible satellite services authorized for distribution in Canada. This list is updated from time to time as required.

²⁸ Community channel policy, *Public Notice CRTC 1991-59*, 5 June 1991 (1991 Community Channel Policy)

²⁹ The licensing framework for community-based television programming undertakings includes two sub-categories: Community-based low-power television undertakings and, Community-based digital services.

- The following table lists the non-Canadian satellite services currently authorized for distribution in Canada³⁰.

Table 3.27: Non-Canadian Satellite Services Authorized in Canada

Country of Origin/Foreign Service Name	Language	Authorized for	
		Analogue & Digital	Digital Only
Australia			
Network TEN	English		✓
Europe			
France, Eurochannel	Spanish / French / English / Italian / Portuguese		✓
France, EuroNews	English / French		✓
France, Eurosportsnews	English		✓
France, KTO	French		✓
France, Mezzo	French		✓
France, Paris-Première	French		✓
France, Planète	French		✓
France, Radio-France outre-mer (RFO1)	French	✓	
France, Trace TV (formerly Tropic)	French		✓
German, Deutsche Welle	German	✓	
German, German TV	German		✓
Great Britain, BBC World	English	✓	
Great Britain, Muslim Television Ahmadiyya	Arabic/Chinese/French/Russian/Spanish/Swahili/Urdu		✓
Ireland, TV3 Republic of Ireland	English		✓
Netherlands, BVN-TV	Dutch		✓
Poland, TV Polonia	Polish	✓	
Romania, Romanian Television International (RTVI)	Romanian		✓
Spain, Grandes Documentales de TVE	Spanish		✓
Yugoslavia, RTV Palma	Hungarian/Serbian		✓
Japan			
TV Japan	Japanese	✓	
Latin America ³¹			
Argentina, Utilisima	Spanish		✓
Latin America, Canal SUR	Spanish		✓
Latin America, CineLatino	Spanish		✓
Middle East & North Africa			
Qatar, Al Jazeera	Arabic		✓
Saudi Arabia, Art Movies	Arabic		✓
New Zealand			
TV3 Television Network	English		✓
TV4 Television Network	English		✓

³⁰ In some cases, distribution is authorized under specific terms or conditions. Carriage of eligible services is at the discretion of the BDU.

³¹ From a variety of Latin American countries including Mexico, Argentina, Columbia, Chile, Venezuela and Peru

Country of Origin/Foreign Service Name	Language	Authorized for	
		Analogue & Digital	Digital Only
United States			
ABC - 8 Independent Stations*	English	✓	
CBS - 9 Independent Stations*	English	✓	
FOX - 7 Independent Stations*	English	✓	
NBC - 8 Independent Stations*	English	✓	
PBS - 7 Independent Stations*	English	✓	
8 Superstations*	English	✓	
WUAB-TV, Cleveland (Independent)	English	✓	
American Movie Classics	English	✓	
ART America	Arabic	✓	
Arts and Entertainment Network (A&E), The	English	✓	
Black Entertainment Television (BET)	English	✓	
Bloomberg Television	English		✓
Cable News Network (CNN)	English	✓	
Cable Satellite Public Affairs Network (C-Span)	English	✓	
Comedy Central	English	✓	
Consumer News and Business Channel (CNBC)	English	✓	
Court TV	English	✓	
CNN Headline News (CNN-2)	English	✓	
Discovery Wings	English		✓
Eternal Word Television Network (EWTN)	English		✓
Fox News	English		✓
Filipino Channel, The	Tagalog	✓	
Game Show Network	English	✓	
Golf Channel, The	English	✓	
Learning Channel, The	English	✓	
Lifetime Television	English	✓	
MSNBC	English		✓
Nashville Network (TNN), The	English	✓	
NFL Network	English		✓
Oxygen Network	English		✓
Playboy TV	English	✓	
Scandinavian Channel, The	Multilingual-language of originating countries ³²		✓
Speed Channel	English	✓	
Silent Network, The	English	✓	
Weather Channel (TWC), The	English	✓	
Turner Classic Movies	English	✓	
TV Land	English		✓
WMNB-TV: Russian-American Broadcasting Company	Russian	✓	

* Refer to Appendix A of *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2004-88, 18 November 2004 for listing of each station.

³² Denmark, Finland, Iceland, Norway and Sweden

IV. Broadcasting Distribution

A. Promoting Effective Competition

- The Commission has put in place policies promoting competition among Broadcasting Distribution Undertakings (BDUs) in *New Regulatory framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997 (Public Notice 1997-25), *Proposed Broadcasting Distribution Regulations*, Public Notice CRTC 1997-84, 2 July 1997, and *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150, 22 December 1997. The *Broadcasting Distribution Regulations* (the BDU Regulations) came into effect 1 January 1998. Since that time the BDU industry has been experiencing a fundamental shift towards increased competition.
- The most recent changes to promote effective competition include the issuance of *Exemption order respecting cable systems having fewer than 2,000 subscribers*, Public Notice CRTC 2001-121, 7 December 2001 (Public Notice 2001-121), *Exemption order respecting radiocommunication distribution undertakings (RDUs)*, Public Notice CRTC 2002-45, 12 August 2002 (Public Notice 2002-45), *Exemption order respecting cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers*, Public Notice CRTC 2003-23, 30 April 2003, and *Amendment to the Broadcasting Distribution Regulations*, Public Notice CRTC 2004-39, 14 June 2004.
- In Public Notice 2001-121, the Commission identified 1,583 cable distribution undertakings having fewer than 2000 subscribers. To date, 1,417 Class 3 licensees have been granted exemption status. According to the Canadian Cable Telecommunications Association's (CCTA) 2003-2004 Annual Report, there were 583,532 subscribers to class 3 systems as of September 2003.

1. Subscriber Levels of Incumbent and Alternative BDU Delivery Systems

Table 4.1: Number of Basic Subscribers (000)

Distribution Type	1999		2000		2001		2002		2003	
Cable - class 1*	6,914	88%	6,951	84%	6,857	77%	6,702	74%	6,581	72%
Cable - class 2	383	5%	368	4%	405	5%	355	4%	313	3%
Sub-total	7,297	93%	7,319	88%	7,262	82%	7,057	78%	6,894	76%
DTH	519	7%	880	11%	1,520	17%	1,960	22%	2,152	24%
MDS & STV	35	0.5%	86	1%	88	1%	59	0.6%	50	0.6%
Total	7,851	100%	8,285	100%	8,870	100%	9,075	100%	9,096	100%

Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.

* Includes Digital Subscriber Line (DSL)

Source: CRTC Financial Database (June 2004)

- Class 1 licensees continue to maintain the bulk of subscriber market share. Competition from direct-to-home (DTH) and Multipoint Distribution Systems (MDS) has reduced the overall share of Class 1 licensees from 88% in 1999 to 72% in 2003.
- DTH subscribership increased by 192,000 in 2003. This represents an increase of 9.8% in 2003 for a total market share of 23.7%. The rate of growth of DTH is slowing, from 29% in 2002 to 10% in 2003.
- Subscription Television systems (STV) provide over-the-air television service to small (rural or remote) communities in underserved areas. These undertakings broadcast signals in an encoded or scrambled mode by means of low-power (about 20 watts) transmitters. In Public Notice 2002-45, the Commission issued an exemption order affecting most of these undertakings.
- Digital Subscriber Line (DSL) undertakings distribute programming to subscribers through a telephone line or "copper twisted-pair". Digital modulation techniques permit the transmission of voice, high-speed data and video on the same copper twisted-pair. Currently Aliant Telecom Inc. (Aliant), MTS Communications Inc. (MTS), Saskatchewan Telecommunications (SaskTel) and Telus Communications Inc. (TCI) possess BDU licences using DSL technology. Applications for BDU licences for Ontario and Quebec from Bell Canada have also been recently approved by the Commission.
- The following table provides a breakdown of cable subscribers by province. DTH and MDS operators do not report a provincial breakdown to the Commission.

**Table 4.2: Number of Basic Cable Subscribers
by Region / Province**

Region / Province	1999		2000		2001		2002		2003	
Atlantic	471	6.5%	506	6.9%	479	6.6%	463	6.6%	456	6.6%
Nfld. & P.E.I.	101	1.4%	146	2.0%	96	1.3%	95	1.4%	95	1.4%
N.B. & N.S.	370	5.1%	359	4.9%	382	5.3%	367	5.2%	362	5.2%
Quebec	1,763	24.2%	1,755	24.0%	1,732	23.9%	1,650	23.4%	1,499	21.7%
Ontario	2,909	39.9%	2,903	39.7%	2,905	40.0%	2,831	40.1%	2,805	40.7%
Prairies	1,051	14.4%	1,051	14.4%	1,035	14.2%	1,023	14.5%	1,023	14.8%
Manitoba	241	3.3%	240	3.3%	236	3.2%	233	3.3%	232	3.4%
Saskatchewan	158	2.2%	155	2.1%	152	2.1%	149	2.1%	146	2.1%
Alberta	652	8.9%	655	9.0%	647	8.9%	641	9.1%	646	9.4%
B.C. & Territories	1,103	15.1%	1,104	15.1%	1,112	15.3%	1,091	15.5%	1,110	16.1%
B.C.	1,103	15.1%	1,104	15.1%	1,112	15.3%	1,091	15.5%	1,110	16.1%
Total	7,297	100%	7,319	100%	7,262	100%	7,057	100%	6,894	100%

Note: (1) Number of basic subscribers to Class 1 and 2 licensees as of August 31 of each year.

1999 to 2002 figures have been updated to reflect current aggregate results.

Source: CRTC Financial Database (June 2004)

B. Ensuring Contributions to Canadian Programming and Local Expression

- The BDU Regulations require that all Class 1 and Class 2 licensees¹, as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of gross annual revenues derived from broadcasting activities to the creation and presentation of Canadian programming. Contribution to programming can take the form of a contribution to the Canadian Television Fund (CTF)² or to other independent production funds, as well as a contribution to local expression or to a community programming undertaking.

1. Contributions to Programming Funds

Table 4.3: Contributions to Programming Funds

Contributions to Programming Funds (\$ 000,000)															
Class & Subscriber Level	CTF					Other Funds					Total CTF & Other Funds				
	99	00	01	02	03	99	00	01	02	03	99	00	01	02	03
Class 1 > 20k	61	66	70	70	71	6	8	7	7	8	67	74	77	78	79
Class 1 < 20k	5	5	5	4	4	0	1	1	1	0	5	5	5	5	4
Class 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DTH, MDS & SRDU*	6	15	27	31	37	1	3	6	7	9	6	19	33	37	46
Total	72	86	102	105	113	8	12	14	15	17	79	98	116	120	129

* SRDU: Satellite Relay Distribution Undertaking

Based on August 31 of each year.

Source: CRTC Financial Database

- The BDU Regulations require that a minimum of 80% of the required contribution be directed to the CTF and up to 20% to one or more independently-administered production funds, other than the CTF. The Commission's *Contributions to Canadian Programming by Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-98, 22 July 1997 sets out the criteria to be met by such independently administered funds.

2. Total Community Channel Expenses

Table 4.4: Community Channel Expenses

Total Community Channel Expenses (\$ 000)					
Class & Subscriber Level	1999	2000	2001	2002	2003
Class 1 > 20k	54,879	58,540	53,870	53,299	53,530
Class 1 < 20k	12,579	13,169	12,826	18,236	15,697
Class 2	6,795	8,021	8,004	8,872	6,709
Total	74,253	79,730	74,700	80,407	75,936

Based on August 31 of each year. Source: CRTC Financial Database

¹ Includes Digital Subscriber Line (DSL)

² The CTF is the successor to the Canadian Television and Cable Production Fund.

- Public Notice 1997-25 introduced flexibility for cable licensees in regard to the manner in which they contribute to Canadian programming and local expression, formerly required through investment in a community channel.
- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002, the Commission announced its intention to amend the BDU Regulations to permit Class 1 licensees with fewer than 20,000 subscribers to allocate all of their Canadian programming funding contributions to local expression.

3. Number of Systems Maintaining a Community Channel

- The BDU Regulations no longer require licensees to operate a community channel. Apart from its benefits to the public through local reflection, the community channel provides cable operators with a highly effective medium to establish a local presence and to promote a positive corporate image for themselves. There has been no significant change in the number of systems operating a community channel since the amendment of the BDU Regulations in 1997.
- The following table outlines the number of Class 1 and Class 2 licensees that have reported community channel expenses between 1999 and 2003. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than one undertaking.

Table 4.5: Cable Licensees Contributing to Community Channels

Number of Class 1 & 2 Licensees Contributing to Community Channels					
Class & Subscriber Level	1999	2000	2001	2002	2003
Class 1 > 20k	68	72	72	70	66
Class 1 < 20k	71	74	73	74	80
Class 2	101	99	99	96	90

Source: CRTC Financial Database / Based on August 31 of each year.

C. Affordability of Basic Service Rates

- The following table presents the average basic service monthly rates for the last five years for Class 1 and Class 2 licensees.

Table 4.6: Average Cable Basic Service Monthly Rates (\$)

Distribution Level	1999	2000	2001	2002	2003
Class 1	18.99	19.50	20.16	20.05	21.83
Class 2	21.50	21.90	21.96	22.96	20.22
Average	19.12	19.62	20.26	20.19	21.75

Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC Financial Database

- The monthly rates are based on the rates provided by the distributors in their August 31st annual returns to the Commission. The calculation of the average monthly rates is based on the rates provided and are weighted to account for subscriber numbers.

**Table 4.7: Average Basic Service Monthly Rates by Province
Cable - Class 1 Licensees**

Province	1999	2000	2001	2002	2003
Newfoundland	19.74	19.82	19.94	20.16	21.99
P.E.I.	20.29	20.72	20.72	20.72	20.72
N.S.	14.60	16.54	16.55	16.53	16.61
N.B.	19.23	19.10	19.19	20.28	22.94
Quebec	21.32	21.64	21.61	21.74	22.98
Ontario	18.95	19.48	20.98	20.58	21.66
Manitoba	14.62	14.92	15.33	15.34	20.99
Saskatchewan	17.89	18.39	18.89	18.88	20.31
Alberta	17.57	18.54	18.72	18.73	21.86
B.C.	17.99	18.39	18.49	18.57	21.99

Note: 1999 to 2002 figures have been updated to reflect current aggregate results.

Source: CRTC Financial Database / Based on August 31 of each year.

- With the introduction of the BDU Regulations in 1998, the Commission introduced a process allowing for the deregulation of the basic rates of incumbent Class 1 licensees. New entrants are no longer rate regulated, nor are Class 2 and Class 3 licensees.
- Incumbent Class 1 licensees can qualify for rate deregulation if they meet a two-pronged test:
 - if the basic service of one or more licensed competitors is accessible to 30% of households in the incumbent's service area (which is currently deemed to be met by the existence of DTH services); and
 - if the cable incumbent can demonstrate that it lost 5% or more of its basic subscribers since competition entered its service area.
- By the end of June 2004, about 115 Class 1 licensees were rate deregulated. The total number of subscribers in these rate-deregulated systems is about 4.7 million subscribers (or 71% of all Class 1 subscribers).

D. Ensuring a Financially Strong Sector

1. Revenues

Table 4.8: BDU Revenues (\$'000,000)

	1999	2000	2001	2002	2003
Basic Programming Revenue					
Revenue obtained from the basic programming service packages provided by distributors.					
Cable (Class 1 & 2)	1,784	1,812	1,810	1,762	1,800
DTH, MDS & STV	27	54	91	281	357
Total	1,810	1,865	1,901	2,043	2,156
Non-Basic Programming Revenue					
Revenue derived from discretionary programming service packages provided by distributors (programming services not on the basic service).					
Cable (Class 1 & 2)	1,121	1,307	1,360	1,425	1,467
DTH, MDS & STV	140	325	575	650	811
Total	1,261	1,631	1,934	2,075	2,277
Non-Programming Revenue					
Revenue derived from exempt services and non-programming services such as the Internet.					
Cable (Class 1 & 2)	120	190	437	687	908
DTH, MDS & STV	0	9	13	16	36
Total	121	199	450	703	944
Total Revenue					
Includes revenue derived from programming and non-programming services.					
Cable (Class 1 & 2)	3,025	3,308	3,606	3,875	4,174
DTH, MDS & STV	167	388	679	946	1,204
Total	3,192	3,696	4,285	4,821	5,377

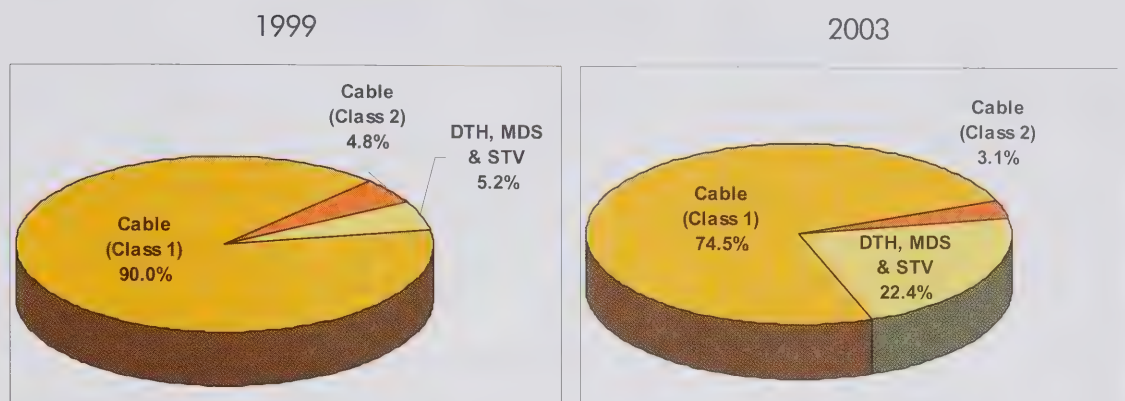
1999 to 2002 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC Financial Database

- The BDU industry as a whole has been enjoying strong growth. In 2003 total revenues increased by over \$556 million.
- Traditional Class 1 & 2 licensees realized a revenue increase of about \$299 million in 2003, a 7.7% increase over 2002. The growth in revenues since 1999 is mostly due to non-basic programming services (30%) as well as exempted and non-programming services (69%). In fact, exempt and non-programming services revenues contributed to 22% of total Class 1 & 2 licensee revenues in 2003 compared to 4% in 1999.

- DTH, MDS and STV providers reported increased revenues of 27.2% in 2003.
- The charts below illustrate the changes in the share of total BDU revenues from 1999 to 2003.

Chart 4.1: Distribution of Total Revenues



Note: 1999 percentages have been updated to reflect current aggregate results.

Source: CRTC Financial Database

2. Profit Before Interest and Taxes (PBIT) Margins, Class 1 & 2 Licensees

Chart 4.2: PBIT Margins - Class 1 & 2 Licensees

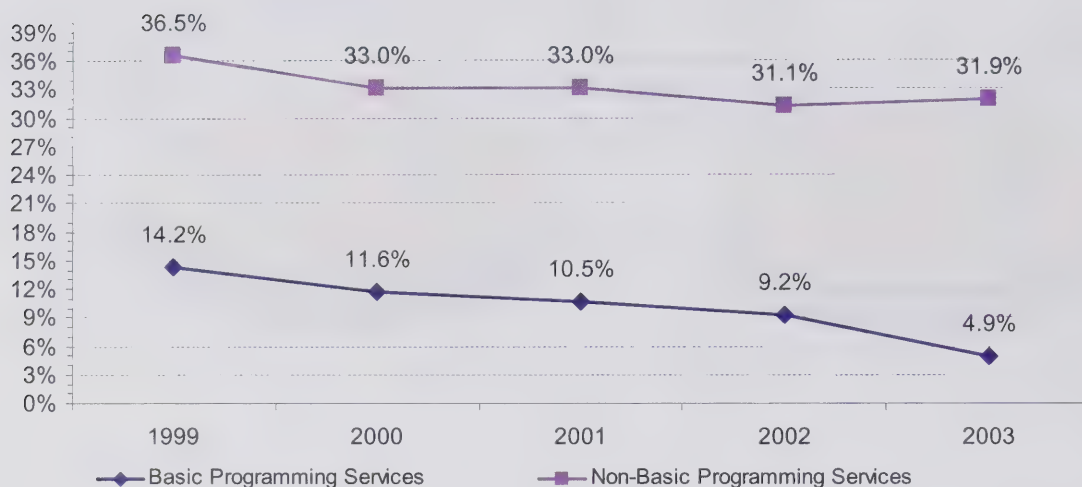


Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC Financial Database

- The chart above shows the PBIT margins for Class 1 and 2 licensees based on the reported results from all programming and non-programming services.
- The PBIT margin for Class 1 licensees decreased significantly in 2001. This decrease was caused by higher affiliation payments, higher technical expenses, and increased depreciation expenses due to significant fixed asset investment.

**Chart 4.3: PBIT Margins - Class 1 & 2 Licensees
Basic and Non-Basic Programming Services**



Note: In accordance with Public Notice 1990-53, 15 May 1990, an incremental costing approach is applied to discretionary programming (non-basic programming) services. As such, recoveries for common facilities operating costs and historical cost of distribution plant and subscriber drops are not applied to discretionary programming services.

Source: CRTC Financial Database

3. Return on Investment - Class 1 and Class 2 Licensees

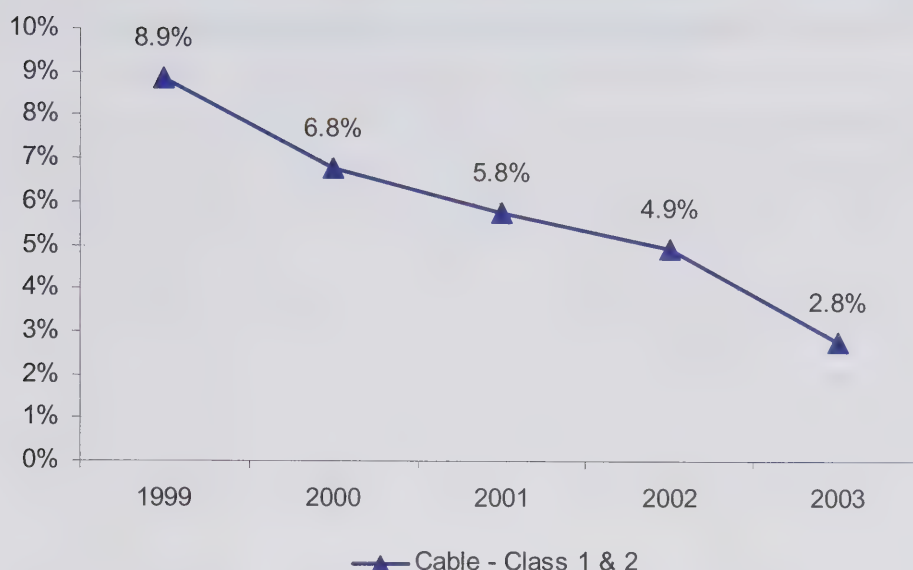
Chart 4.4: Return on Average Net Fixed Assets (RANFA)



Note: 1999 to 2002 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC Financial Database

**Chart 4.5: Return on Average Net Fixed Assets (RANFA)
Basic Programming Services**



Note: In accordance with Public Notice 1990-53, 15 May 1990, an incremental costing approach is applied to discretionary programming (non-basic programming) services. As such, recoveries for common facilities operating costs and historical cost of distribution plant and subscriber drops are not applied to discretionary programming services.
Source: CRTC Financial Database

E. Top Canadian Distributors

Table 3.9 Top Canadian Distributors and Number of Basic Subscribers⁽¹⁾

Corporations	Number of Subscribers (000)			%		
	2001	2002	2003	2001	2002	2003
Rogers Cable Inc.	2,267	2,252	2,235	26%	25%	25%
Shaw Communications Inc.	2,070	1,988	2,012	23%	22%	22%
Bell ExpressVu (2)	891	1,200	1,343	10%	13%	15%
Vidéotron Ltée (3)	1,529	1,440	1,288	17%	16%	14%
Cogeco Cable Inc.	879	821	816	10%	9%	9%
Star Choice (4)	629	760	809	7%	8%	9%
Total	8,264	8,461	8,503	93%	93%	93%
Total – All Canada	8,870	9,075	9,096	100%	100%	100%

Sources: CRTC Financial Database and Distributor information (as at August 31st of each year)

(1) Includes both analog and digital subscribers. Excludes subscribers to exempted systems (including exemption of Class 3 licences in 2002 & 2003).

(2) Bell ExpressVu is controlled by BCE Inc.

(3) Quebecor Media Inc. acquired control of Vidéotron Ltée in 2002.

(4) Star Choice is controlled by Shaw Communications Inc.

F. Promoting Digital Technology

Table 4.10: Number of Subscribers Receiving Digital Services

	Number of Digital Subscribers (000)						
Distribution Type	English		French		Total		
	Number	%	Number	%	Number	%	Growth
June 2004							03 to 04
Digital Cable	1,561.7	-	366.0	-	1,727.7	45%	24%
DTH *	-	-	-	-	2,257.4	53%	14%
MDS	32.4	-	16.5	-	48.9	1%	-14%
DSL	40.9	-	-	-	40.9	1%	
Total	-	-	-	-	4,274.8	100%	19%
June 2003							02 to 03
Digital Cable	1,295.6	46%	254.9	32%	1,550.4	43%	34%
DTH	1,458.6	52%	528.9	66%	1,987.5	55%	9%
MDS	35.5	2%	21.2	2%	56.7	2%	-19%
Total	2,789.7	100%	805.0	100%	3,594.7	100%	18%
June 2002							
Digital Cable	989.3	42%	166.3	24%	1,155.6	38%	
DTH	1,339.4	56%	485.6	72%	1,825.0	60%	
MDS	42.4	2%	27.5	4%	69.9	2%	
Total	2,371.1	100%	679.4	100%	3,050.5	100%	

* English and French-language subscriber estimates for DTH were not provided in 2004.

Source: Mediatats

G. Signal Theft

Signal theft continues to be a widespread problem within the Canadian broadcasting system. This activity can take many forms, and includes the theft of both cable television and satellite services.

The theft of signals harms Canadians both economically and culturally. From an economic perspective, signal theft deprives the Canadian broadcasting industry of substantial amounts of revenue, weakening the ability of satellite and cable distributors to support their infrastructure and invest in new technologies. Reductions in revenues to cable and satellite distributors, television broadcasters, producers and program rights holders, lessen the ability of broadcasters to acquire and air Canadian programming. Further, it reduces the level of the CTF, which is tied to the levels of revenues achieved by licensees. CTF provides key financing for distinctively Canadian productions.

In response to the issue of satellite signal theft, in 2004, the Government introduced Bill C-2: *An act to amend the Radiocommunication Act*. Bill C-2 was intended to strengthen the ability of law enforcement and the industry to prevent satellite signal theft.

Among the key amendments was to add a requirement to the *Radiocommunication Act* that an import certificate be obtained from the Minister of Industry for anyone wishing to

bring satellite equipment into Canada. In order to further deter dealers of illegal satellite equipment, Bill C-2 provided for significantly increased penalties in order to better reflect the seriousness of this offence. Bill C-2 also strengthened the right of civil action, allowing the aggrieved party to recover damages stipulated in the Act.

In the Spring of 2004, The Standing Committee on Industry, Science and Technology considered these amendments, with a number of industry and government representatives, including the Commission, appearing as witnesses. However, with the call of the election on 23 May 2004, and the dissolution of Parliament, Bill C-2 died on the Order Paper.

In their ongoing efforts to combat signal theft, the key industry players have each undertaken various initiatives. A sample of these activities is provided below:

- The cable industry continues to improve their operational controls, including system audits, to detect signal theft and respond quickly when cases are discovered. The cable companies are also aggressively moving their few remaining premium services to more secure digital platforms.
- ExpressVu has implemented a new conditional access system, which operates in parallel with the existing system, in order to prevent future hacking of its service. To fully implement this initiative, a complete card swap for ExpressVu's subscriber base is underway. When completed, the system will be protected against all illegal devices. ExpressVu continues to utilize electronic counter measures to harass, interrupt or shut down illegal devices used to steal ExpressVu's service.
- In order to curtail unauthorized multiple receiver or "second address" use, Star Choice continues to monitor the number of customers who utilize multiple receivers. Star Choice also limits the number of receivers that customers can have on each account as a deterrent against unauthorized use.
- The industry associations, Canadian Association of Broadcasters (CAB) and CCTA, are committed to supporting the efforts of the Coalition Against Satellite Signal Theft (CASST), including public affairs activities designed to increase awareness on the issue of signal theft. Their member companies along with other industry players have also continued to pursue businesses that deal in illegal satellite equipment through civil actions.

V. Social Issues

The Commission's current social policy objectives can be described under four general headings:

- A. Official languages
- B. Diversity
- C. Accessibility
- D. Programming Standards

A. Official Languages

The broadcasting policy for Canada set out in section 3 of the *Broadcasting Act* (the Act) provides, among other things, that the Canadian broadcasting system should reflect Canada's linguistic duality. The objectives set out in section 3(1) of the Act with respect to official languages include the following statements:

- a range of broadcasting services in English and in French shall be extended to all Canadians as resources become available;
- the programming provided by the Canadian broadcasting system should be drawn from local, regional, national and international sources; and
- English and French-language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements.

In order to meet these objectives, the Commission has undertaken a number of initiatives including:

- making the televised proceedings of the House of Commons more accessible to Canadians in the official language of their choice;
- implementing a policy to increase the availability of specialty services in the official language of the minority to cable subscribers; and
- the preparation of an action plan for the CRTC's implementation of section 41 of the *Official Languages Act*.

1. House of Commons Proceedings

- In the Commission's view, the televised proceedings of the House of Commons are vital to the public interest in a democratic society and are an important part of the Canadian broadcasting system. In order to make this programming more accessible to Canadians in the official language of their choice, with the exception of the smallest analog cable distributors, Canadian broadcasting distributors have been required to distribute the proceedings of the House of Commons in both official languages throughout Canada since 1 September 2002¹.

¹ *Amendments to the Broadcasting Distribution Regulations – Distribution of the proceedings of the House of Commons and its various committees*, Broadcasting Public Notice CRTC 2002-72, 19 November 2002.

- When Canadian Public Affairs Channel's (CPAC) licence was renewed on 19 November 2002², a similar distribution regime was imposed. To ensure that its services are maintained and its programming is improved, CPAC receives \$0.11 per month, per subscriber, for the distribution of both the French and English-language services. Of this amount, subscribers pay \$0.08 and distributors pay the difference of \$0.03 to fund CPAC's coverage of the proceedings of the House of Commons.

2. Distribution of Specialty Services in the Official Language of the Minority

- Since 1 September 2001, cable systems have been required to fulfill their obligations stipulated in the Commission's publications *Achieving a better balance: Report on French-language broadcasting services in a minority environment*, Public Notice CRTC 2001-25, 12 February 2001 (Public Notice 2001-25), and *A policy to increase the availability to cable subscribers of specialty services in the minority official language*, Public Notice CRTC 2001-26, 12 February 2001, concerning the availability of programming services in the official language of the minority.
- Public Notice 2001-25 requires that all Class 1 and Class 2 cable distributors using high-capacity digital technology (i.e. 750 MHz nominal capacity or more) offer all Canadian English- and French-language specialty services and at least one pay television service in each language. This requirement does not include Category 2 digital specialty services and pay-per-view television services.
- All Class 1 and Class 2 cable distributors using lower-capacity digital technology (less than 750 MHz nominal capacity) are required to offer at least one Canadian specialty service in the official language of the minority in either analog or digital mode for every 10 (Canadian or non-Canadian) programming services distributed in the official language of the majority.
- All Class 3 cable distributors using medium-capacity or high-capacity digital technology (550 MHz or more) are required to distribute at least one Canadian specialty service in the official language of the minority for every 10 (Canadian or non-Canadian) programming services distributed in the official language of the majority. Furthermore, a Class 3 system which is fully interconnected to another system is required to provide the same number of Canadian services in the official language of the minority as the system to which it is interconnected, unless it does not have the technical capacity to do so in spite of the interconnection.
- The table below provides some statistics on cable systems with a nominal bandwidth of 750 MHz or higher and cable systems with less than 750 MHz nominal capacity.

² Licence renewal for CPAC; and issuance of a distribution order, Broadcasting Decision CRTC 2002-377, 19 November 2002.

Table 5.1: Number of Systems and Subscribers

	English Markets		French Markets	
	Number of Systems	Number of Subscribers	Number of Systems	Number of Subscribers
Class 1 > 20,000 Subscribers				
March 2004*				
Nominal Bandwidth of 750 MHz or higher	21	2,416,303	4	707,282
Nominal Bandwidth of less than 750 MHz	35	2,081,945	5	245,228
March 2003				
Nominal Bandwidth of 750 MHz or higher	11	1,144,689	4	777,049
Nominal Bandwidth of less than 750 MHz	47	3,351,198	5	256,516
March 2002				
Nominal Bandwidth of 750 MHz or higher	8	1,085,229	4	855,211
Nominal Bandwidth of less than 750 MHz	49	3,428,424	5	289,427

* Four (4) systems were combined into two (2) systems.

Source: March 31st CRTC Cable Capacity Reports

3. 2004-2005 Action Plan: Implementation of Section 41 of the Official Languages Act³

- Following its designation under section 41 of the *Official Languages Act* on 22 August 2003, the Commission submitted its first Action Plan on official languages. In the preparation of the Action Plan, a number of representative organizations of official-language minority communities were consulted in order to identify priorities.
- Based on the comments received during consultations, the Commission put forward specific measures and objectives in order to:
 - continue implementing the recommendations in the CRTC report on broadcasting services in a minority environment in order to:
 - promote access to both English and French-language television services throughout Canada for minority official-language communities; and
 - encourage broadcasting licensees to continue efforts to increase production and broadcast of regionally produced programs reflecting the realities of those communities;
 - promote dialogue between the CRTC and minority official language communities; and
 - recognize the special role of community radio stations.
- The CRTC will submit a year-end report to the Minister of Canadian Heritage on the achievements and results of the 2004-2005 action plan.

³ CRTC 2004-2005 Action Plan: Implementation of Section 41 of the Official Languages Act, 23 March 2004.

B. Diversity

- The Commission's objective with regard to diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of cultural, ethnic and racial minorities, Aboriginal peoples and persons with disabilities. Consistent with Section 3(1)(d)(iii) of the Act,

the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society.
- Accordingly, the Commission expects all licensees to reflect the diversity of the markets they serve.
- The Commission has identified two clear objectives for the Canadian broadcasting system with respect to diversity⁴:
 - The broadcasting system should be a mirror in which all Canadians can see themselves.
 - The broadcasting system should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills.
- In practical terms, the Commission's objectives are to ensure:
 - the accurate reflection of the presence ("who we see" and "who we hear") of cultural and racial minorities, Aboriginal peoples and persons with disabilities, and
 - the accurate, fair and non-stereotypical portrayal ("how we see" and "how we hear") of such groups.
- The Commission is achieving its objectives by targeting specific communities, private television broadcasters, private radio broadcasters and the Canadian Broadcasting Corporation (CBC):

a) Services targeted to specific communities:

- Licensing a range of services dedicated to serving specific communities such as:
 - over-the-air ethnic radio and television services
 - ethnic specialty and pay services
 - native radio and television undertakings
 - Aboriginal Peoples Television Network (APTN)

⁴ *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999.

- In Public Notice 2004-53⁵, the Commission called for comments on various questions related to its approach to authorizing non-Canadian third-language services for distribution on a digital basis in order to determine whether there are ways to improve access by Canadians to non-Canadian third-language programming, while continuing to foster Canadian ethnic services, in accordance with the objectives set out in the Act.

b) Private Television Broadcasters

- Requiring broadcasters to describe their plans and activities with respect to the equitable employment⁶ and on-air representation of the following four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.
- Requiring corporate plans for cultural diversity⁷. As of August 2001, the Commission has required television licensees to develop and file detailed corporate plans that include specific commitments to corporate accountability, the reflection of diversity in programming, and the solicitation of effective feedback from viewers. As of 31 August 2004, sixteen plans have been received from:
 - CTV Television Inc. (CTV)
 - Global Communications Limited (Global)
 - Groupe TVA inc. (TVA)
 - Corus Premium Television Ltd.
 - Astral Broadcasting Group Inc.⁸
 - MusiquePlus inc.
 - Vision TV
 - Pelmorex Communications Inc.
 - Rogers Broadcasting Limited (OMNI.1 & OMNI.2)
 - CHUM Limited (CHUM)
 - Craig Media Inc.
 - Cable Public Affairs Channel Inc. (CPAC)
 - Learning & Skills Television of Alberta Limited (ACCESS)
 - Consortium de télévision Québec Canada inc. (TV5)
 - The Score Television Network Limited
 - Alliance Atlantis Broadcasting Inc.
- Requiring that licensees file annual reports outlining progress made to achieve the stated goals and new initiatives undertaken in these corporate plans. To date, the Commission has received annual reports from 13 broadcasters. These reports are available on the Commission's website⁹.
- Calling for a cultural diversity task force *Representation of cultural diversity on television – Creation of an industry/community task force*, Public Notice CRTC 2001-88,

⁵ Review of the approach to assessing requests to add non-Canadian third-language services to the lists of eligible satellite services for distribution on a digital basis – Call for comments, Broadcasting Public Notice CRTC 2004-53, 15 July 2004.

⁶ Licensees with 100+ employees report on employment equity directly to HRDC.

⁷ Broadcasters' corporate plans for cultural diversity are available on the corporate public files.

⁸ Note that Teletoon/Télétoon adheres to the plan filed by Astral Broadcasting Group Inc.

⁹ http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

2 August 2001. In that notice the Commission called for a joint industry/community task force to sponsor research, identify best practices, and help define the issues and present practical solutions to ensure that the entire Canadian broadcasting system reflects all Canadians. Accordingly, the Task Force for Cultural Diversity on Television (the Task Force) was formed by the Canadian Association of Broadcasters (CAB). The Task Force undertook a landmark quantitative and qualitative study of the state of representation on private Canadian television. Results of the study were published on 15 July 2004. The Commission is currently reviewing the results of the study and the recommendations of the Task Force.

- In Public Notice 2004-2¹⁰, the Commission called upon broadcasters to incorporate persons with disabilities into their cultural diversity corporate planning, to be reflected in the annual reports filed by broadcasters beginning with those due in December 2004.
- In Public Notice 2004-2, the Commission also called upon the CAB to develop and file a plan outlining its proposed process to examine issues surrounding the presence, portrayal and participation of persons with disabilities in television programming. The Commission is currently reviewing the plan that the CAB filed on 16 August 2004.
- Discussing with broadcasters their commitment and activities to enhance diversity at renewal or as other opportunities arise.

c) The CBC

- Requiring that the CBC include in its annual reports a description of how it is fulfilling its commitment as noted in Public Notice CRTC 2000-1¹¹, to more adequately reflect the multicultural and multiracial nature of Canada and to balance the representation of these groups on air in a manner that realistically reflects their participation in Canadian society, and that will help to counteract negative stereotypes. In response to the CBC's Year 3 Annual Reports filed on 30 November 2003, the Commission noted the CBC's efforts in relation to addressing representation and reflection issues and encouraged the CBC to continue to strive to reflect the full diversity of Canadian society and to report on its activities in this regard, including the reflection of persons with disabilities.

d) Private Radio Broadcasters

- Encouraging broadcasters in *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998, to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.

¹⁰ Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.

¹¹ A distinctive voice for all Canadians: Renewal of the Canadian Broadcasting Corporation's licences, Public Notice CRTC 2000-1, 6 January 2000.

- Initiating discussions with applicants about cultural diversity in radio broadcasting at competitive licensing hearings.

C. Accessibility

- Section 3(1)(p) of the Act states that “programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose”.

1. Access for Persons Who Are Hearing Impaired

- Access for persons who are deaf or hearing impaired is provided through closed captioning (CC): the on-screen textual representation of the audio component of a program, which is generally presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.
- The Commission generally requires English-language conventional and specialty services to caption 90% of their programming including 100% of their news programming, by condition of licence.
- With regard to French services, *Building on Success – A Policy Framework for Canadian TV*, Public Notice CRTC 1999-97, 11 June 1999, stated that French-language broadcasters should have requirements similar to English broadcasters. Increased obligations are being implemented at individual licence renewals.
- The Commission also expects licensees to focus on improving the quality, reliability and accuracy of closed captioning, and to work with representatives of the hearing impaired community to ensure that captioning continues to meet their needs.
- The Commission notes that the CAB has developed a Closed Captioning Manual which it encourages its English-language broadcasters to use.
- In addition, the CBC/SRC has developed *The CBC Captioning Style Guide* and the *Normes de sous-titrage* which its services use.

2. Access for Persons Who Are Visually Impaired

- Access for persons who are blind or visually impaired is provided through audio description or video description (or described video programming).
- Audio description is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission expects licensees to provide audio description wherever appropriate.
- Described video programs have narrated descriptions of key visual elements that are timed to occur during lapses in dialogue. Description is normally provided on the second audio program (SAP) channel. Programming such as drama, documentary and children’s programs best lend themselves to described video.

Current Requirements to Provide Described Video Programming

- Major conventional stations are:
 - required by condition of licence to describe a minimum amount of Canadian programming generally starting at 2 hours per week and eventually reaching 4 hours per week.
 - expected to broadcast described versions of programming wherever available.
- Pay and specialty services renewed since 2001 are:
 - expected to broadcast described versions of programming wherever available.
 - 6¹² of the specialty services renewed in January 2004 are required by condition of licence to describe a minimum of 2 hours per week (starting 1 September 2005) and increasing to three hours per week (beginning 1 September 2008).

3. National Reading Services

- VoicePrint and La Magnétothèque are national reading services which were licensed in 1990 to provide programming of benefit to persons who are blind, visually-impaired or print-restricted. These services provide full-text reading of stories, information, news and features published by a variety of newspapers, magazines and periodicals.
- VoicePrint has mandatory carriage in English markets pursuant to an order issued under section 9(1)(h) of the Act¹³. Cable companies distributing VoicePrint on an analog basis distribute it on CBC Newsworld's SAP channel. Multipoint distribution system (MDS) licensees, direct-to-home (DTH) satellite distributors and cable companies distributing Voiceprint on a digital basis, distribute it on an audio channel located near a CBC channel.
- In its renewal decision in January 2004¹⁴, VoicePrint was given a \$0.03 rate increase in order to fund the licensee's proposals to increase the amount of local, regional, and original programming broadcast on VoicePrint as well as to provide persons who are blind or who have visual impairments with easier access to the service through expanded local program centres and an expanded outreach program.

¹² History Television, Space: The Imagination Station, The Comedy Network, Teletoon/Télétoon, Treehouse TV, Prime TV

¹³ *Broadcasting Distribution Order*, Decision CRTC 2000-380, 11 September 2000 and *Broadcasting Distribution Order – Erratum : Distribution Order 2000-1*, CRTC Decision 2000-380-1, 21 September 2000

¹⁴ *VoicePrint – Licence renewal*, Broadcasting Decision CRTC 2004-28, 21 January 2004.

D. Programming Standards

The Commission is required, pursuant to section 5(1) of the Act, to regulate and supervise the Canadian broadcasting system with a view to implementing the broadcasting policy set out in section 3(1) of the Act. Section 3(1) sets out an extensive declaration of the broadcasting policy for Canada, listing a number of policy objectives that speak to programming standards. Section 3(1)(d)(i) declares that the Canadian broadcasting system should “serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.” Section 3(1)(d)(ii) states that the Canadian broadcasting system should “encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity.” Section 3(1)(d)(iii) states that the Canadian broadcasting system should, through its programming and employment opportunities arising out of its operations, “serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights.” Section 3(1)(g) states that “the programming originated by broadcasting undertakings should be of high standard.”

- The Commission is required to balance the achievement of these objectives against the requirement to apply the Act in a manner consistent with freedom of expression and journalistic, creative and programming independence enjoyed by broadcasting undertakings as set out in Section 2(3) of the Act. Section 3(1)(h) of the Act states that the broadcasters themselves have a responsibility for the programs they broadcast.
- A key mechanism for achieving these objectives is through self-regulation. The industry must abide by the following industry codes¹⁵, some of which apply as a result of the Commission’s regulations, some by condition of licence and some as a result of membership in the Canadian Broadcast Standards Council (CBSC), Advertising Standards Canada (ASC) or the Cable Television Standards Council (CTSC):
 - Code for Broadcast Advertising of Alcoholic Beverages
 - CAB Code of Ethics
 - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of Ethics
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - CBC Guidelines on Sex-Role Portrayal
 - CAB Voluntary Code Regarding Violence in Television Programming
 - Pay Television and Pay-Per-View Programming Code Regarding Violence
 - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services
 - Broadcast Code for Advertising to Children
 - Advertising Standards Canada (ASC) Canadian Code of Advertising Standards
 - Cable Television Community Channel Standards
 - Cable Television Customer Service Standards

¹⁵ Links to these codes are available on the Commission’s website www.crtc.gc.ca under Industries at a Glance.

- The Commission expects any discretionary services broadcasting adult programming to adhere to the adult programming provisions contained within *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services*¹⁶. The Code includes a comprehensive section specifically addressing adult programming which provides clear guidance for broadcasters regarding the classification and scheduling of adult films. Furthermore, the Commission expects all licensees that distribute adult programming to develop internal policies for broadcast to be submitted at the time of licensing, licence renewal or in the event of a complaint.

1. Complaints

- The Commission frequently receives requests for information, comments on procedural issues and complaints from the public, via e-mail, telephone and letter. The following table outlines the overall number of contacts from the public and provides a breakdown of contacts related to broadcasting matters in general and broadcasting complaints that the Commission received from 1 September 2001 to 31 August 2004. In the broadcast year 2003/2004, there was a small decline in the number of complaints received from that of the previous year.

Table 5.2: Number of Contacts by Public

	1 September 2001 - 31 August 2002	1 September 2002 - 31 August 2003	1 September 2003 - 31 August 2004
Overall contacts by public	58,487	53,382	55,386
Broadcasting matters only	26,881	24,770	18,273
Broadcasting complaints only	12,425	11,581	10,575

Source: CRTC Correspondence Tracking System

- The following table provides representative samples of the types of broadcasting complaints that the CRTC received during the same time periods, with respect to radio, television, specialty, pay and PPV services. The table also provides the number of referrals that were made by the CRTC to the CBSC for complaints which fell within the CBSC's mandate.

¹⁶ *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services*, Broadcasting Public Notice CRTC 2003-10, 6 March 2003.

Table 5.3: Broadcasting Complaints by Sector, by Issue

Topic	1 September 2001 - 31 August 2002		1 September 2002 - 31 August 2003		1 September 2003 - 31 August 2004	
	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC	Complaints received	Referrals to CBSC
Radio						
Abusive comment ¹⁷	85	29	148	57	81	39
Adult content	66	21	46	23	32	16
Alcohol advertising	2	0	0	0	1	0
Gender portrayal	5	2	39	27	1	1
Offensive comment ¹⁸	241	56	408	255	291	165
Offensive language ¹⁹	71	29	74	24	27	8
Conventional Television						
Abusive comment	39	8	87	31	195	34
Adult content	360	101	303	145	441	286
Alcohol advertising	23	0	19	3	17	1
Gender portrayal	17	3	51	32	14	0
Offensive comment	214	55	203	62	660	158
Offensive language	103	41	91	59	48	21
Television violence	83	22	84	27	99	34
Specialty Channels						
Abusive comment	4	1	25	18	10	2
Adult content	145	65	110	59	102	62
Alcohol advertising	0	0	4	0	1	0
Gender portrayal	3	0	6	4	0	0
Offensive comment	38	28	35	19	38	21
Offensive language	19	11	15	7	8	1
Television violence	13	8	12	9	11	11
Pay Television and Pay-per-view Services²⁰						
Abusive comment	5	0	0	0	0	0
Adult content	8	0	11	0	14	0
Alcohol advertising	0	0	0	0	0	0
Gender portrayal	0	0	0	0	0	0
Offensive comment	87	0	0	0	0	0
Offensive language	2	0	0	0	0	0
Television violence	1	0	1	0	5	0

Source: CRTC Correspondence Tracking System

2. Canadian Broadcast Standards Council (CBSC)

- The CBSC²¹ administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of these standards. These codes include:
 - CAB Code of Ethics
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - RTNDA of Canada Code of Ethics

¹⁷ Where a complaint alleges that hatred or contempt was incited on-air against one of the groups identified in the Television, Radio, and Specialty Regulations.

¹⁸ Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.

¹⁹ Where a complaint alleges offensive language in song lyrics or spoken word.

²⁰ Note that none of the Pay and Pay-Per-View services are CBSC members so there are no referrals to the CBSC.

²¹ www.cbsc.ca

- The Commission deals with complaints that are related to non-member broadcasters and with issues which do not fall within the parameters of the Codes administered by the CBSC.

Table 5.4: Complaints Handled by the CBSC

	2002/03	2001/02	2000/01	1999/00	1998/99	1997/98
Files handled by the CBSC	1,395	924	873	620	1,097	1,212
Referred by the CRTC	941	635	443	283	795	977

Source: CBSC Annual Reports

- The CBSC files annual reports about its activities with the Commission.
- It is important to note that, while not a censor, the Commission is always the final arbiter for matters regarding programming standards. Viewers and listeners may always ask the Commission to consider their complaints either directly, or where they are not satisfied with the results of the self-regulatory process.

3. Advertising Standards Canada (ASC)

- ASC²² is a not-for-profit industry body committed to creating and maintaining community confidence in advertising. ASC responds to advertising complaints from consumers and special interest groups for all media under the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation. In addition, ASC undertakes pre-clearance functions in five industry categories based on applicable legislation, regulations, and/or industry codes and guidelines.

Table 5.5: Complaints Handled by ASC

	2003	2002	2001	2000	1999	1998	1997
Complaints received by ASC	1,133	1,828	1,164	1,143	1,075	828	598
Complaints about television ads	588 (52%)	591 (32%)	549 (47%)	595 (52%)	554 (51%)	371 (45%)	185 (31%)
Complaints about radio ads	51 (5%)	50 (2.7%)	57 (5%)	48 (4%)	51 (5%)	28 (3%)	30 (5%)

Source: Ad Complaints Reports

4. Cable Television Standards Council (CTSC)

- The CTSC²³ deals with complaints with respect to cable service, such as concerns about quality of service and billing. For the 2003/2004 broadcast year, the CTSC processed 715 complaints of which approximately 37% were referred to the CTSC from the CRTC.

²² www.adstandards.com

²³ www.ctsc.ca

VI. Internet

A. Computer Ownership by Canadian Households

Table 6.1: Personal Computer Ownership Rates of Canadian Households

1998	1999	2000	2001	2002	2003	2004
49%	53%	55%	63%	64%	64%	68%

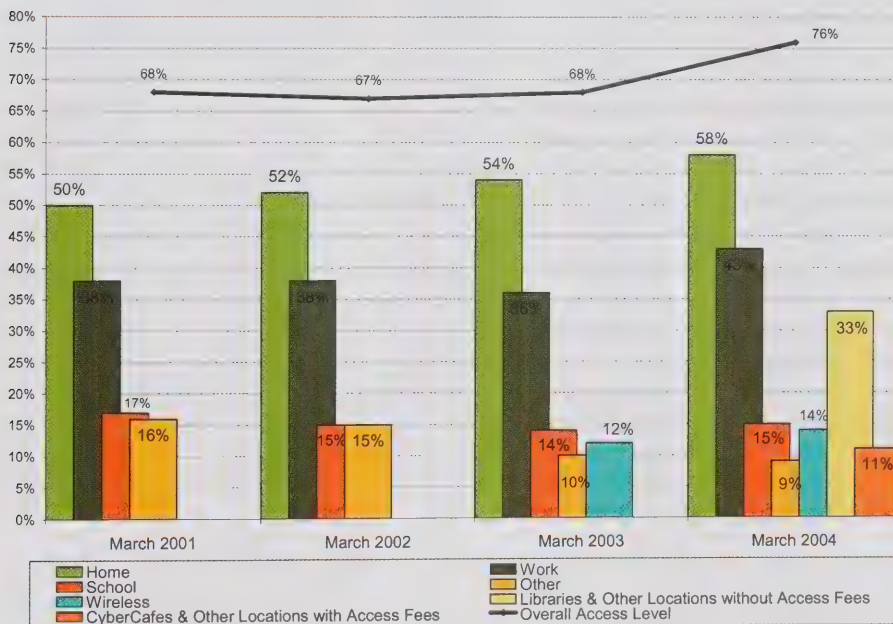
Source: CyberTRENDS Spring Editions, March 1998 to 2004, ComQUEST Research

- Income was a determining factor in computer ownership. In March 2004, 87% of households with an income over \$80,000 owned computers while 40% of households with an income under \$20,000 owned computers.
- Overall personal computer ownership rates remained constant from 2001 to 2003 and increased by 4% in 2004. According to CyberTRENDS, significant ownership increases were noted among women (5%), individuals 65 years of age and older (10%) and in households with an income under \$20,000 (9%).

B. Internet Access by Canadians¹

1. Internet Access by Location

Chart 6.1: Internet Access by Location



Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

¹ The CRTC's 2004 Report to the Governor in Council on the Status of Competition in Canadian Telecommunications Markets/Deployment and Accessibility of Advanced Telecommunications Infrastructure and Services contains analysis of Internet access subscriptions. It is noted that these subscriptions were derived from data provided by the Internet service providers via the CRTC data collection forms for the period ending December 31. The results presented in this report are provided by CyberTRENDS, ComQUEST Research and are based on surveys of Internet users for a period ending March 31.

- Overall Internet access levels increased by 8% in 2004, after flat growth in the previous three years.
- The percentage of Canadians accessing the Internet from both work and home increased in 2004.
- The decline in the “Other” category in 2003 and 2004 can be partially explained by the addition of a new and separate category, wireless Internet access, specifically access via pagers, cell phones or personal digital assistants. In March 2003 and 2004, 12% and 14% of the respondents reported having wireless Internet access. In March 2004, two new categories were also added. The first is for those accessing the Internet from libraries and other public places where access is free. The second is for those using cybercafés and other public places where there is a fee for access. Thirty three percent of the respondents reported having access via libraries and other public locations without fees and 11% reported accessing the Internet by cybercafés and other public locations charging access fees.

Table 6.2: Internet Access by Household Income (%)

Income (\$ 000)	Home %			Work %			School %			Overall %		
	March			March			March			March		
	02	03	04	02	03	04	02	03	04	02	03	04
< 20	22	25	31	7	11	12	14	14	20	36	36	54
20-40	42	42	45	26	24	23	12	13	16	58	56	65
40-60	62	62	62	44	38	50	10	13	13	79	77	84
60-80	70	72	75	57	55	65	20	15	13	86	88	93
80 <	78	82	78	67	67	74	22	17	14	89	93	91
All	52	54	58	38	36	43	15	14	15	67	68	76

Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- As with computer ownership, lower income groups continue to be the least likely to have access to the Internet. However, in 2004 there was a significant increase in the percentage of lower income groups accessing the Internet from home and school.

Table 6.3: Internet Access by Education (%)

Education	Home %			Work %			School %			Overall %		
	March			March			March			March		
	02	03	04	02	03	04	02	03	04	02	03	04
< High School	21	23	28	8	6	13	6	6	8	28	30	41
High School	42	45	50	25	22	29	13	8	11	60	59	71
Some College/ University	62	64	66	44	40	45	21	23	23	79	80	85
Post Secondary	70	71	68	55	57	61	17	12	14	86	87	88
Post Graduate	73	75	83	70	67	70	20	25	21	87	87	93
All	52	54	58	38	36	43	15	14	15	67	68	76

Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- Access to the Internet increases with the level of education.

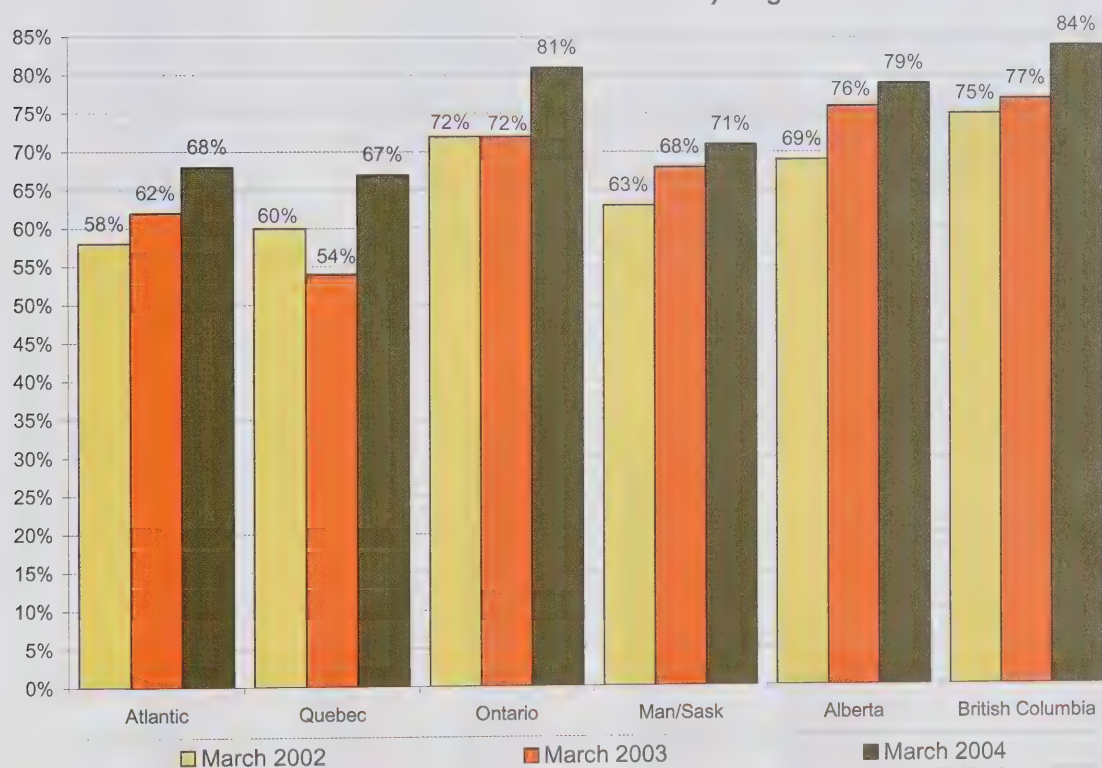
Table 6.4: Internet Access by Age (%)

Age	Home %			Work %			School %			Overall %		
	March			March			March			March		
	02	03	04	02	03	04	02	03	04	02	03	04
18-34	62	68	69	43	47	50	30	35	33	85	89	92
35-44	66	66	70	52	52	57	16	13	14	83	84	88
45-54	60	67	62	52	44	58	17	8	11	76	76	82
55-64	40	45	51	23	28	33	3	6	8	48	58	66
65+	20	22	32	4	5	6	0	1	0	26	26	40
All	52	54	58	38	36	43	15	14	15	67	68	76

Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- As a new medium, the Internet has been more readily adopted by younger households. In 2003, where the head of a household was between the ages of 18 and 34, Internet access was three times more likely than in cases where the head of the household was aged 65 or older. In 2004, this gap narrowed as the percentage of households with Internet access where the head of the household was 65 and older, increased from 22% in 2003 to 32% in 2004.

Chart 6.2: Penetration Rates by Region

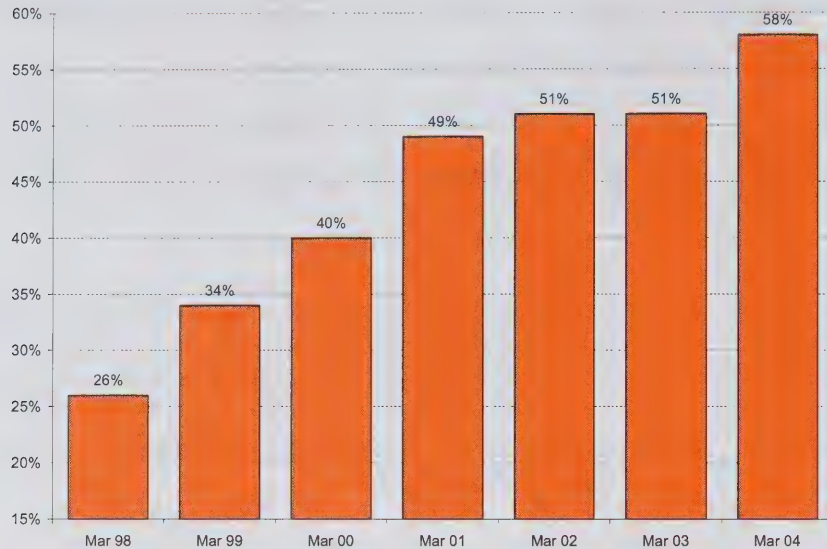


Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- In 2004, Internet access levels increased in all of the provinces.

2. Frequency and Duration of Internet Use

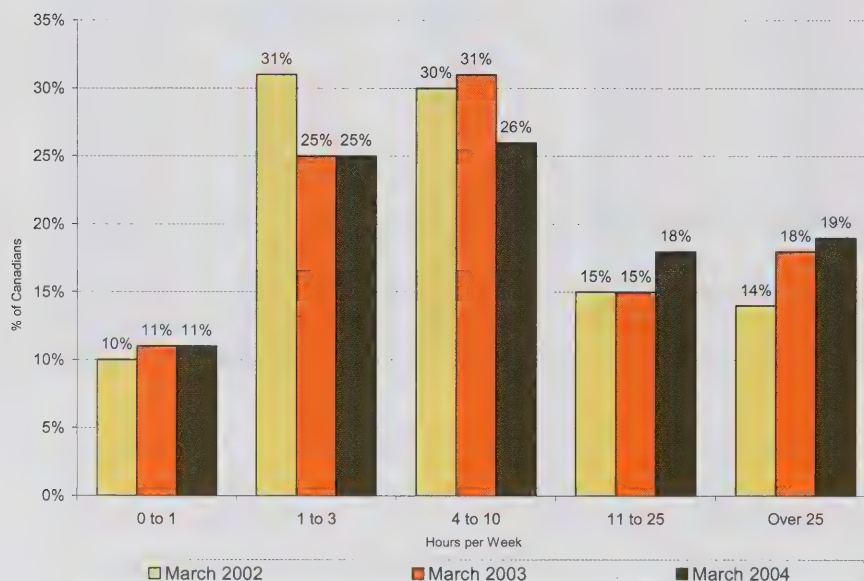
Chart 6.3: Percentage of Canadian Adults Using the Internet in a Given Week



Source: CyberTRENDS Spring Editions, March 1998 to 2004, ComQUEST Research

- The number of Canadians who reported using the Internet, at least once a week, increased from 51% in 2003 to 58% in 2004, this after relatively flat growth from 2001 to 2003.

Chart 6.4: Time Spent by Canadian Adults on the Internet in a Given Week

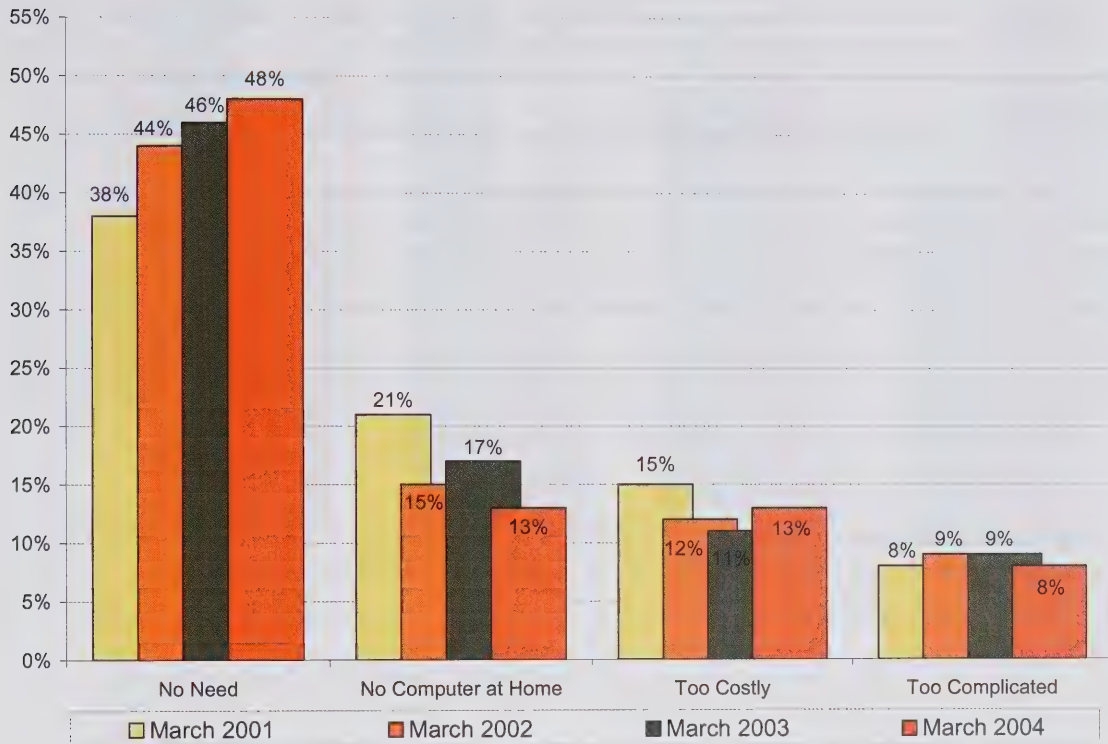


Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- In March 2004, the average Canadian, with Internet access, connected to the Internet 16 times a week for an average of 16 hours of Internet use per week.

3. Profile of Canadians without Internet Access

Chart 6.5: Major Reasons for not Having Access to the Internet



Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

- The number of Canadians who indicated a lack of need or lack of interest for not using the Internet increased from 38% in 2001 to 48% in 2004.
- The percentage of households reporting no computer at home has decreased from 21% in 2001 to 13% in 2004.

4. Internet Activities

Table 6.5: On-line Activities of Canadians

Activity	% of Canadian Adults Who Connected to the Internet at Least Once a Month							
	Most of the Time				Some of the Time			
	2001	2002	2003	2004	2001	2002	2003	2004
E-Mail	67	69	71	71	22	21	17	18
Specific sites of interest	62	58	61	57	27	32	29	30
Search for specific information	58	52	55	54	31	39	37	38
Research information on services / products		25	29	30		51	47	47
Surf or browse	19	21	28	25	37	41	38	38
Download / Listen to music	13	13	16	9	22	19	24	17
Downloading files or software	12	12	15	9	30	34	31	28
Chat	5	5	8	5	12	9	11	12
Online Gaming	5	3	6	7	8	8	7	9
Watch video	2	1	4	3	17	14	18	16
Listen to radio	4	3	4	4	12	11	12	14
Shop on-line		2	2	2		14	17	21

Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

- High-speed Internet users take advantage of faster data transfer rates, therefore spending more time than dial-up users on bandwidth-intensive activities.

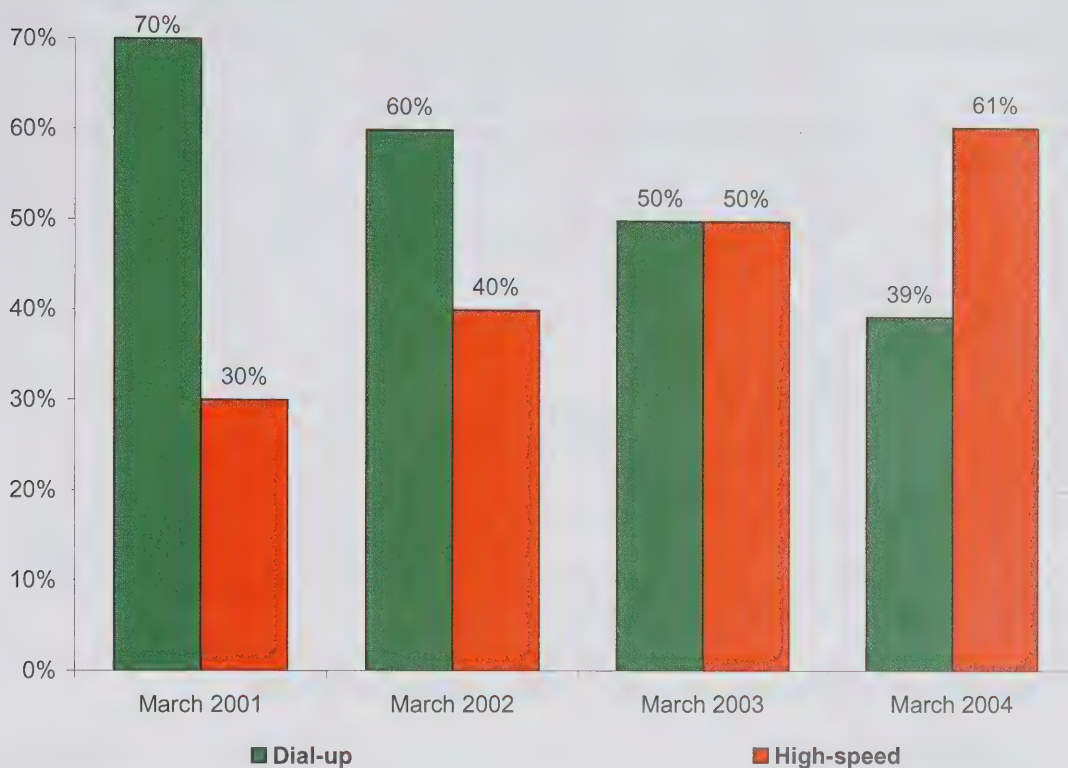
Table 6.6: On-Line Activities of High-Speed Users vs. Dial-up Users

Activity	Use Most or Some of the Time			
	High Speed		Dial-up	
	2003	2004	2003	2004
Download / Listen to music	53%	32%	32%	21%
Downloading files or software	54%	41%	46%	37%
Chat	26%	20%	16%	15%
Watch video	29%	27%	17%	11%
Listen to radio	20%	23%	12%	13%
Shop on-line	25%	28%	16%	21%

Source: CyberTRENDS Spring Editions, March 2003 and 2004, ComQUEST Research

5. Type of Internet Access Used at Home

Chart 6.6: Dial-up and High-speed Internet Access at Home



Source: CyberTRENDS Spring Editions, March 2001 to 2004, ComQUEST Research

- High-speed Internet access at home has risen from 30% in March 2001 to 61% in March 2004.
- According to the CyberTRENDS March 2004 Report, high-speed Internet users connect an average of 17 times more per month than dial-up Internet users.

6. The Canadian Internet Service Provider (ISP) Industry

- The following table provides the number of Canadian dial-up and high-speed residential subscribers by Internet service providers (ISP). Only those Internet service providers that include this information in their quarterly financial reports are listed below.

Table 6.7: Canadian Residential Subscribers of the Largest ISPs

(000)	Dial-up Subscribers			High-speed Subscribers			Total Subscribers		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Bell ¹	1,031	911	807	909	1,287	1,670	1,940	2,198	2,477
Telus ²	432	352	301	326	469	624	758	821	925
Shaw ³	-	-	-	758	881	997	758	881	997
Rogers ⁴	-	-	-	541	755	851	541	755	851
Quebecor (Vidéotron) ⁵	-	-	-	265	379	447	265	379	447
Look ⁶	96	83	51	3	3	10	99	86	61
Sprint ⁷	85	66	60	-	-	-	85	66	60
Cogeco ⁸	-	-	-	154	196	240	154	196	240

Sources: Quarterly financial reports

Notes:

1. Bell: June 30, 2002, June 30, 2003, June 30, 2004

2. Telus: June 30, 2002, June 30, 2003, June 30, 2004

3. Shaw: May 31, 2002, May 31, 2003, May 31, 2004

4. Rogers: June 30, 2002, September 30, 2003, June 30, 2004

5. Quebecor (Vidéotron): June 30, 2002, September 30, 2003, June 30, 2004

6. Look: June 30, 2002, December 31, 2002, June 2004

7. Sprint: June 30, 2002, June 30, 2003, June 30, 2004

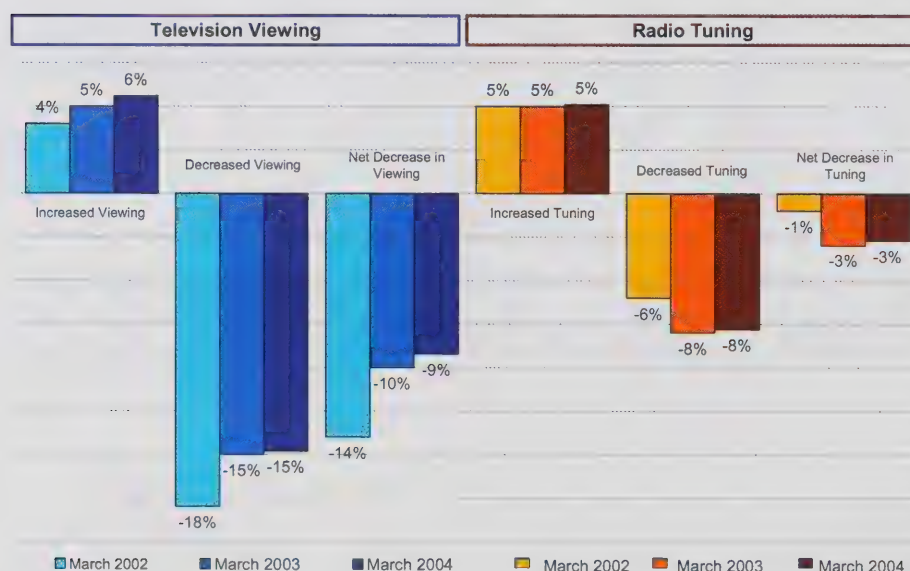
8. Cogeco: May 31, 2002, May 31, 2003, May 31, 2004

- In 2004 Bell dominated the Canadian ISP market, with 807,000 dial-up subscribers and just under 1.7 million high-speed subscribers.

C. The Effect of Internet Use on Broadcast Media

- CyberTRENDS reports that, in some instances, the Internet has influenced Canadians to decrease or increase their use of broadcast media. Overall, there has been a net decrease in the use of broadcast media, particularly television, commensurate with an increase in Internet use.

Chart 6.7: Percentage of Canadians Reporting an Effect of Internet Use on Broadcast Media



Source: CyberTRENDS Spring Editions, March 2002 to 2004, ComQUEST Research

- Thirty-nine percent of Canadian households with Internet access have a TV in the same room as the computer.
- Of the above households, 28% regularly watch TV while using the Internet.

Table 6.8: Listening to Radio via the Internet

Fall survey	Total hours tuned via the internet (000)	Share of total tuning (%)
1997	8	0.0
1998	94	0.0
1999	279	0.1
2000	454	0.1
2001	634	0.1
2002	942	0.2
2003	778	0.1

Source: MicroBBM, Fall 1997 to Fall 2003, All Canada, Persons 2+

- Data from the BBM Fall surveys indicate that the amount of tuning to Canadian radio stations via the Internet is still insignificant.

D. Trends in Internet Advertising and E-Commerce

- Internet advertising revenues in Canada increased by 34% in 2003 to \$156 million.²
- As of March 2004, 63% of Canadian Internet users recalled having seen an ad on the Internet during the week, this compared to 74% in March 2003.³
- As of March 2004, 44% of Canadian adults reported having made a purchase on-line, compared to 27% in March 2003.
- The most popular types of products purchased on-line in 2004 were books (24%), computer hardware and software (23%), clothing (17%), travel services (17%) and music/audio CDs (12%).
- Retail stores are still the favourite destination of 89% of Canadians with Internet access. Only 15% prefer to shop on-line.
- More than three quarters (77%) of Canadians, with Internet access, used the Internet to research product information. Twenty-three percent of the time, those who researched specific products on-line, purchased them over the Internet.

² Carat Expert

³ CyberTRENDS, March 2004 Spring Edition, ComQUEST Research

Glossary

ASC	Advertising Standards Canada (website: www.adstandards.com)
BBM	Bureau of Broadcast Measurement (website: www.bbm.ca)
BDU	Broadcasting distribution undertaking
Cancom	Canadian Satellite Communications Inc.
CAB	Canadian Association of Broadcasters (website: www.cab-acr.ca)
Cancon	Canadian content
CBC	Canadian Broadcasting Corporation (Société Radio Canada)
CBSC	Canadian Broadcast Standards Council (website: www.cbsc.ca)
CC	Closed captioning
CCTA	Canadian Cable Telecommunications Association (website: www.ccta.com)
CPE	Canadian programming expenditures
CRTC	Canadian Radio-television and Telecommunications Commission (website: www.crtc.gc.ca)
CTF	Canadian Television Fund (website: www.canadiantelevisionfund.ca)
CTD	Canadian Talent Development
CTSC	Cable Television Standards Council (website: www.ctsc.ca)
DRU	Digital radio undertaking
DTH	Direct-to-home
DTH PPV	Direct to home pay-per-view service
E (e)	English-language
F (f)	French-language
FDB	Financial data base
ISP	Internet service provider
MDS	Multipoint distribution systems
MUD	Multiple unit dwellings
NFA	Net fixed assets
O (o)	Other language(s)
Pay	Pay television service
PPV	Pay-per-view service
RANFA	Return on average net fixed assets
ROI	Return on investment
SAP	Second audio program
SRC	Société Radio-Canada (Canadian Broadcasting Corporation)
SRDU	Satellite relay distribution undertaking
VOD	Video on demand



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Broadcasting Policy Monitoring Report 2005

Radio

Television

Broadcasting Distribution

Social Issues

Internet

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**Broadcasting
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This publication is available electronically: <http://www.crtc.gc.ca>

This publication can be made available in alternative format upon request.

Ce document est également disponible en français.

ISBN # BC9-1/2005E
0-662-40486-6

Introduction

This is the sixth edition of the CRTC's Broadcasting Policy Monitoring Report, which provides an on-going assessment of the impact of CRTC regulations, policies and decisions¹ on the achievement of the objectives of the *Broadcasting Act*. The 2005 version continues to measure the performance of the Canadian broadcasting system. As in the past, we hope that this report will help to foster a more open and better-informed public discussion of broadcasting policy in Canada. The Commission invites parties to use the report to enrich their participation in our regulatory policy and licensing proceedings.

The 2005 edition updates the performance indicators and continues the trends outlined in previous reports. In addition, the 2005 report provides audience measures for the entire 2003/04 broadcast year in regard to the viewing to Canadian programming using metered data. BBM Canada (BBM) and Nielsen Media Research released the final metered viewing results for the 2003/04 broadcast year with the additional program level data relating to country of origin and program genre in the spring of 2005.

The data and information used as the basis of the CRTC's policy monitoring is drawn from many sources. These sources include (1) information filed by participants in the normal course of the Commission's hearings and public proceedings; (2) information obtained from Statistics Canada; (3) audience measures from the BBM and Nielsen Media Research; (4) the Annual Financial Returns filed by licensees of the CRTC; (5) programming information filed as part of licensees' television program logs; (6) the Commission's ownership records and radio compliance monitoring results; and (7) publicly available information, such as annual reports from publicly traded companies, CRTC decisions and public notices.

The report is sub-divided into six sections: Overview, Radio, Television, Broadcasting Distribution, Social Issues and Internet.

Interested parties are welcome to provide comments for improvements or additions to future editions of the report and can do so by forwarding them to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2 or electronically at info@crtc.gc.ca.

The Broadcasting Policy Monitoring Report is also available electronically at www.crtc.gc.ca/ENG/publications/reports.htm

¹ *New Regulatory Framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997; *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998; *New Media, Broadcasting* Public Notice CRTC 1999-84, 17 May 1999, and *Telecom* Public Notice CRTC 99-14, 17 May 1999;

Building on Success – A Policy Framework for Canadian Television, Public Notice CRTC 1999-97, 11 June 1999;

Ethnic Broadcasting Policy, Public Notice CRTC 1999-117, 16 July 1999;

Licensing Framework Policy for New Digital Pay and Specialty Services, Public Notice CRTC 2000-6, 13 January 2000;

Campus Radio Policy, Public Notice CRTC 2000-12, 28 January 2000;

Community Radio Policy, Public Notice CRTC 2000-13, 28 January 2000;

Practices and procedures for resolving competitive and access disputes, Public Notice CRTC 2000-65, 12 May 2000;

Achieving a better balance: Report on French-language broadcasting services in a minority environment, Public Notice CRTC 2001-25, 12 February 2001;

A Policy to Increase the Availability to Cable Subscribers of Specialty Services in the Minority Official Language, Public Notice CRTC 2001-26, 12 February 2001;
Licence Renewals for the French-language National Television Network TVA and for the French-language Television Programming Undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001;
Licence Renewals for the Television Stations Controlled by CTV, Decision CRTC 2001-457, 2 August 2001;
Licence Renewals for the Television Stations Controlled by Global, Decision CRTC 2001-458, 2 August 2001;
The distribution of the proceedings of the House of Commons on CPAC, Public Notice CRTC 2001-115, 6 November 2001;
Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001;
Small cable systems – Digital migration policy, Public Notice CRTC 2001-130, 21 December 2001;
A licensing policy to oversee the transition from analog to digital, over the air television broadcasting, Broadcasting Public Notice CRTC 2002-31, 12 June 2002;
Exemption order respecting radiocommunication distribution undertakings (RDUs), Broadcasting Public Notice CRTC 2002-45, 12 August 2002;
New licensing framework for specialty audio programming services, Broadcasting Public Notice CRTC 2002-53, 12 September 2002;
Policy framework for community-based media, Broadcasting Public Notice CRTC 2002-61, 10 October 2002;
Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003;
The regulatory framework for the distribution of digital television signals, Broadcasting Public Notice CRTC 2003-61, 11 November 2003;
Incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2004-93, 29 November 2004;
Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the list of eligible satellite services for distribution on a digital basis, Broadcasting Public Notice CRTC 2004-96, 16 December 2004;
Incentives for original French-language Canadian television drama, Broadcasting Public Notice CRTC 2005-8, 27 January 2005; and
Revised lists of eligible satellite services, Broadcasting Public Notice CRTC 2005-51, 13 May 2005.

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I. Overview

A. Diversity of programming in the Canadian broadcasting system

Section 3(1)(i) of the *Broadcasting Act* (the Act) states, in part, that the programming provided by the Canadian broadcasting system should:

- (i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,
- (ii) be drawn from local, regional, national and international sources,
- (iii) include educational programs and community programs,

To implement this policy, the Commission endeavours to ensure that Canadians have access to a diversity of programming drawn from a variety of sources. The following tables provide a summary of the number of various types of television and radio services that are available in the Canadian broadcasting system. A table summarizing the number of various types of Canadian broadcasting distribution undertakings is also provided.

Table 1.1: Diversity of television services available in Canada

	English Language*	French Language	Third Language	Total
Canadian conventional (over-the-air) ⁽¹⁾				
National Public Broadcaster (CBC)				
- Owned & operated	15	8	-	23
- Transitional digital ⁽⁶⁾	3	2	-	5
Private commercial ⁽⁷⁾	74	23	4	101
Religious	5	-	-	5
Educational	4	3	-	7
Native	10	-	-	10
Transitional digital ⁽⁶⁾	8	1	2	11
Canadian specialty, pay, pay-per-view (PPV) and video-on-demand (VOD)				
Analog specialty services	30	14	5	49
Category 1 digital specialty services ⁽²⁾	15	3	-	18
Category 2 digital specialty services ⁽²⁾	40	1	17	58
Pay television services ⁽³⁾	5	2	5	12
Terrestrial PPV services ⁽³⁾	4	1	-	5
Direct-to-home (DTH) PPV services ⁽³⁾	5	1	-	6
VOD services ⁽³⁾	13	-	-	13
Other Canadian services				
Community channels ⁽⁴⁾	187	48	-	235
Community programming services	10	1	-	11
House of Commons – Cable Public Affairs Channel (CPAC)	1	1	-	2
Non-Canadian services ⁽⁵⁾				
Non-Canadian satellite services authorized for distribution in Canada	82	6	20	108
Total number of television services	511	115	53	679

Excludes rebroadcasters and exempt television services. Also excludes network licences. *Includes bilingual (English and French) and native services. (1) Includes satellite to cable services. (2) Includes only category 1 & 2 services launched prior to 22 April 2005. (3) Number of services licensed. (4) Excludes Class 3 licensees and exempted BDU's. (5) Carriage of authorized services is at the discretion of the broadcast distribution undertaking. (6) Number of over-the-air transitional digital television approved as of 21 April 2005. (7) Excludes private commercial religious stations.

Sources: CRTC APP1205 report dated 21 February 2005, CRTC decisions and CRTC Financial database system (FDB) as of 31 August 2003

Table 1.2: Canadian radio and audio services

	English Language ⁽¹⁾	French Language ⁽²⁾	Third Language	Total
Over-the-air radio services				
National public broadcaster:				
CBC: <i>Radio One / Première chaîne</i>	36	20	-	56
CBC: <i>Radio Two / Espace musique</i>	14	8	-	22
CBC network licences	2	2	-	4
CBC digital: <i>Radio One / Première chaîne</i>	5	4	-	9
CBC digital: <i>Radio Two / Espace musique</i>	5	4	-	9
Private commercial				
AM stations	169	18	8	195
FM stations	318	80	9	407
AM & FM network licences	26	11	-	37
Digital radio (<i>transitional</i>)	42	9	7	58
Community:				
Type A stations	13	29	-	42
Type B stations	25	22	1	48
Campus:				
Community based	37	6	-	43
Instructional	10	-	-	10
Native – Type B stations:	39	6	-	45
Religious (spoken word and/or music):	34	25	1	60
Other (tourist/traffic; Environment Canada; special event, etc.)	86	9	1	96
Total number of over-the-air Canadian radio services	861	253	27	1,141
Audio services delivered by BDUs				
Specialty audio (commercial / Non-profit, regional / national)	4	-	11	15
Pay audio (English & French national services)	2	-	-	2
Total number of Canadian audio services delivered by BDUs	6	-	11	17
Total number of Canadian radio & audio services	867	253	38	1,158

(1) Includes bilingual (English and French) and native services.

(2) Includes French-native services.

Excludes rebroadcasters and exempt radio services.

Sources: CRTC APP 1205 report (21 February 2005), CRTC decisions and CBC website

Table 1.3: Number of Canadian broadcasting distribution undertakings (BDUs)

	Number of distribution undertakings
Cable	
Cable class 1	139
Cable class 2	104
Cable class 3	1,717
<i>Sub-total cable</i>	<i>1,960</i>
DTH	2
MDS	29
STV	12
Total number of broadcasting distribution undertakings	2,003

Sources: Cable systems – September 2004, Mediastats; DTH, MDS & STV systems – CRTC APP1205 report dated 22 February 2005

- Most class 2 and 3 cable undertakings are eligible for exemption from licensing requirements.¹

B. Competitive disputes

- The Broadcasting Directorate's competitive disputes team was created in 2000 to process and resolve disputes effectively in the increasingly competitive broadcasting industry. The process and procedures used for resolving competitive and access disputes are outlined in *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000 (Public Notice 2000-65).
- Disputes can generally be classified as follows: (1) disputes between broadcasting distributors and programming services concerning the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and to the end-user; and (3) disputes between programmers regarding programming rights and markets served.
- The Commission employs alternative dispute resolution techniques, including fact-finding meetings, mediation and staff opinions, to attempt to break deadlocks and assist parties to resolve their disputes. When these techniques fail, the Commission may render decisions on disputes under sections 12 and 15 of the *Broadcasting Distribution Regulations* (BDU Regulations) i.e., by way of "final-offer" arbitration, or under section 9 of the *BDU Regulations* i.e., in cases involving allegations of undue preference or disadvantage. In the 2004/05 fiscal year, the Commission also considered two disputes that involved a request for a Commission order under the general powers provision established in section 9(1)(h) of the Act.

¹ Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001 / Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003.

- “Final offer” arbitration processes are typically conducted on a confidential basis, both to encourage candour on the part of the parties and to take into account that the matters in dispute often involve commercially sensitive information, the disclosure of which could cause harm that would outweigh any public interest benefit.
- Disputes involving allegations by a party of undue preference or disadvantage in which it is alleged that the alleged preference or disadvantage has material and serious consequences for the complainant that are contrary to the public interest and/or the Canadian broadcasting system are generally immediately placed on a public file.

1. Type, number and complexity of disputes

Table 1.4: New disputes received – 1 April 2004 to 31 March 2005

Type of new disputes received (1 April 2004 to 31 March 2005)	Dispute issues				Total
	Wholesale rates	Building access	Channel placement	Programming rights-related issues	
Undue preference	4			1	5
Section 12-15 dispute resolution	4	1		2	7
Section 9 (1) (h)			2		2
Other				1	1
Total	8	1	2	4	15
	53%	7%	13%	27%	100%

- During the period from 1 April 2004 to 31 March 2005, the Commission opened 15 new dispute files and closed 44.² Of the 7 disputes outstanding, 2 disputes have been suspended and the remaining 5 were received in or after December 2004.
- An important trend to note in this reporting period is a gradual increase in the number of requests for earlier informal staff alternative dispute resolution interventions. Typically, these earlier interventions have taken place prior to the filing of formal complaints or requests for dispute resolution and prior to the provision of any related documentation. Such interventions are intended primarily to assist in early detection and removal of actual or probable obstacles to the resolution of disputes, and were successfully conducted by telephone. In January 2005, the Commission started tracking this type of activity as a separate dispute resolution category that will be included in next year’s report.
- Table 1.5 compares the average time taken to resolve disputes over each of the last three years.³ In arriving at these averages, it should be noted that some of the disputes were suspended, at the request of the parties, for various periods of time in

² There were 36 files outstanding from the previous period.

³ Files commenced in one year but concluded in another, are included in the calculation for the year of closure.

order to permit the parties to negotiate. Time while suspended is not included in calculating time to closure.

Table 1.5: Fiscal year comparisons of the average number of days to resolve disputes

Disputes	2002/03	2003/04	2004/05
Undue preference	176	245	142
Sections 12 to 15	84	152*	152*
Section 9(1)(h)	-	-	16

* The increase in the average times to resolution in this category was due to a number of complex "final offer" determination disputes that involved one or more CRTC staff mediation meetings and a subsequent written final offer stage.

- The majority of the new disputes, whether alleging undue preference or disadvantage or seeking staff assistance or Commission determinations on other matters, raised multiple issues and involved complex fact situations. Overall, the complexity of disputes submitted to the Commission continues to increase and most now include "policy" components. Neither factor is conducive to expedited processing by way of alternative dispute resolution techniques.

2. Ensuring good commercial practices in negotiations

- In *Good commercial practices*, Broadcasting Public Notice CRTC 2005-35, 18 April 2005, the Commission announced a number of measures involving the provision of notice to programming services by distributors of their plans to alter packages or channel position.
- The Commission announced that it would be appropriate, prior to any proposed channel realignment, for all BDUs to provide sufficient information to programmers to allow them to analyze the impact of the proposed change on their businesses, including the effect the proposed changes may have on their advertising and subscription revenues. In the Commission's view, the provision of such information should result in better informed negotiations and enhance the ability of programmers to inform subscribers about the details of the proposed changes.
- Accordingly, the Commission expects all BDU operators intending to make a change to the distribution of a programming service, to provide the operator of the affected programming service with the following information:
 - the intended date of the change;
 - the new channel number on which the programming service will be distributed;
 - if the service is moved from one package to another, a full description of the package in which the service will be distributed, including the name of the package, the expected penetration rate, and the retail rate for the package; and

- any change that may be contemplated in the wholesale rate or in the method used to calculate this rate.
- The Commission found the 60-day notice period established in section 26 of the BDU Regulations to be reasonable advance notice.
- The Commission expected that adherence to these notice measures would promote good negotiating relationships among licensees, and that this, in turn, would help achieve the various objectives set out in section 3(1) of the Act.

3. Expedited hearing process

- The Commission continues to seek new practices and procedures that will bring about the timely resolution of issues arising under the Act.
- As a further means to hasten the resolution of broadcasting disputes, the Commission has adopted procedures for the conduct of expedited public hearings. In *Expedited procedure for resolving issues arising under the Broadcasting Act*, Broadcasting Circular CRTC 2005-463, 18 April 2005, the Commission stated that expedited public hearings will complement the Commission's existing dispute resolution guidelines and tools, and be similar to the procedures that it recently established for resolving disputes arising under the *Telecommunications Act*.⁴
- The Commission recently employed an expedited hearing process in the context of an allegation of undue preference. This involved a complaint by Aliant Telecom Inc. (Aliant) against Bragg Communications Incorporated and its subsidiaries in which Aliant alleged undue preference or disadvantage under both the Telecommunications and Broadcasting Acts. The matter was heard by a panel of three Commissioners at a Public Hearing in the National Capital Region on 21 March 2005 followed by the issuance of a decision on 1 April 2005.⁵

⁴ Expedited procedure for resolving competitive issues, Telecom Circular CRTC 2004-2, 10 February 2004.

⁵ Complaint by Aliant Telecom Inc. against Bragg Communications Incorporated and its subsidiaries alleging breaches of section 4 of the Broadcasting Distribution Regulations and section 27(2) of the Telecommunications Act, Broadcasting Decision CRTC 2005-120, 1 April 2005.

II. Radio

A. Radio tuning trends

Table 2.1: Per capita listening hours by age group
Average weekly hours tuned per capita
BBM Fall 1999 – 2004 – all persons 12+,
Monday to Sunday, 5 a.m. to 1 a.m.

	All persons 12+	Teens 12-17	Adults					
			18-24	25-34	35-49	50-54	55-64	65+
1999	20.5	11.3	17.3	21.3	21.6	21.6	23.2	22.7
2000	20.3	10.5	18.1	20.6	21.8	21.9	22.8	22.4
2001	20.1	10.1	17.3	20.5	21.6	21.6	22.7	22.3
2002	20.2	9.4	16.7	20.1	21.7	22.3	23.1	22.8
2003	19.5	8.5	16.3	19.3	21.3	21.8	21.9	22.3
2004	19.5	8.5	15.7	19.3	21.5	21.6	22.1	22.3
Growth99 to 04	-1.0	-2.8	-1.6	-2.0	-0.1	0.0	-1.1	-0.4

Source: MicroBBM surveys fall 1999 to fall 2004

- Overall weekly listening levels have decreased by roughly one hour from 1999 to 2004. This decrease is most notable in the teen demographics and for adults aged 18 to 34.
- The following table sets out the percentage of hours tuned to radio in an average week during the BBM fall surveys from 1997 to 2004.

Table 2.2: Radio tuning share in an average week
BBM fall – all persons 12+,
Monday to Sunday, 5 a.m. to 1 a.m.

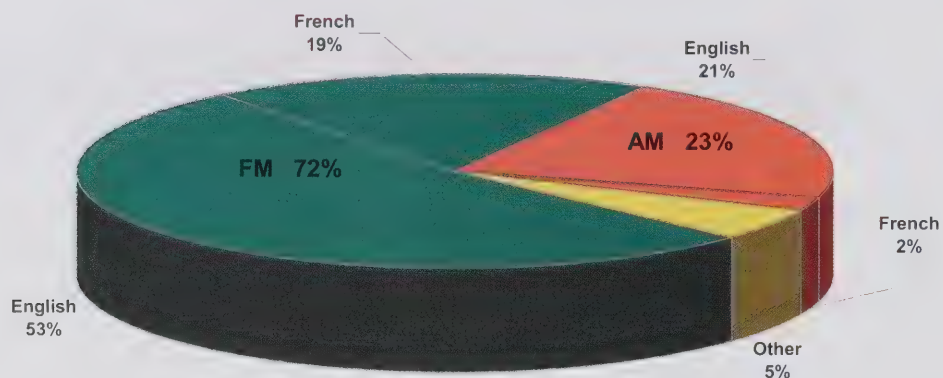
	Percentage of Hours Tuned								Growth 97 to 04
	1997	1998	1999	2000	2001	2002	2003	2004	
AM English	27.7	25.1	24.5	23.8	23.7	22.6	22.2	21.2	-6.5
AM French	5.7	4.4	3.8	3	2.9	2.7	2.4	2.1	-3.6
FM English	45.2	48.7	49.2	50.3	50.1	51.1	52.1	52.7	7.5
FM French	15.4	16.5	16.9	17.4	17.7	18.4	18.4	18.8	3.4
Other	6.0	5.3	5.6	5.5	5.6	5.2	4.9	5.2	-0.8
Total	100	100	100	100	100	100	100	100	
Total average weekly hours (000,000)	516.6	552.8	544.6	531.8	532.9	540.5	529.6	538.1	21.5

Note: "Other" is principally over-the-air tuning to U.S. border stations.

Source: BBM Fall 1997 to Fall 2004

- The total average weekly hours tuned to radio have remained relatively stable since 1997.
- The following pie chart is based on Table 2.2 and serves to demonstrate the dominance of FM radio in both the English- and French-language markets.

Chart 2.1: Radio tuning share in an average week, 5 a.m. to 1 a.m., BBM Fall 2004



- According to the 2004-5 BBM Radio Data Book (5 a.m. to 1 a.m., Monday to Sunday):
 - 92.9% of Canadians aged 12 and over listened to the radio for at least 15 minutes per week in Fall 2004, as compared to 94% in 1998.
 - In Fall 2004, the average hours tuned per listener was 21 hours per week, the same number as in the previous year.
 - In Fall 2004, the average hours tuned per capita remained the same as in 2003, 19.5 hours per week.

B. Ownership

- In revising its ownership policy in *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), the Commission focussed on developing a model that would allow for some consolidation, while taking into account the Commission's general concerns for preserving a diversity of news voices and maintaining competition.
- Tables 2.3 through 2.8 monitor ownership consolidation in the radio industry, providing revenue and tuning information for the largest radio operators.

1. Total hours tuned to the largest private commercial radio operators

Table 2.3: Tuning to the ten largest radio operators⁽¹⁾

Corporation	Listening hours (000) BBM fall			Share of national tuning		
	2002	2003	2004	2002	2003	2004
Corus Entertainment Inc.	83,493	83,785	85,391	15%	16%	16%
Standard Broadcasting Corporation Limited	66,010	64,496	64,526	12%	12%	12%
Rogers Communications Inc.	49,934	51,098	44,732	9%	10%	8%
Astral Media inc.	55,805	50,033	47,479	10%	9%	9%
CHUM Limited	36,441	34,581	36,019	7%	7%	7%
Newcap Inc.	16,161	20,052	20,039	3%	4%	4%
Jim Pattison Industries Ltd.	12,257	11,164	11,029	2%	2%	2%
Cogeco Inc.	10,881	8,943	9,345	2%	2%	2%
Maritime Broadcasting System Limited	10,352	8,935	8,282	2%	2%	2%
Caineco Limited	8,248	7,173	6,894	2%	1%	1%
Total	349,582	340,260	333,736	65%	64%	62%
Total Canadian private commercial radio⁽²⁾	441,952	434,153	437,181	82%	82%	81%
Total all radio⁽³⁾	540,463	529,647	538,202	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Listening hours includes tuning to private commercial multilingual and native stations.

(3) Listening hours includes tuning to public and private Canadian and U.S. stations.

Sources: BBM Fall 2002 to 2004 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

- The tuning share of the ten largest radio groups rose considerably between 1998 and 2004, from 53% to 62%, although this figure is down from a high of 65% in 2002.

Table 2.4: Tuning to the two largest French-language radio operators, BBM fall 2003 and 2004 surveys⁽¹⁾

Corporation	Listening hours (000) BBM fall		Share of tuning to French- language radio	
	2003	2004	2003	2004
Astral Media inc.	47,381	45,317	43%	40%
Corus Entertainment Inc.	13,909	15,224	13%	14%
Total	61,290	60,541	56%	54%
Total Canadian French-language radio ⁽²⁾	110,177	112,508	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Listening hours include tuning to public and private Canadian French-language stations.

Sources: BBM Fall 2003 to 2004 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

- Astral Media inc. garnered 40% of the hours tuned to French-language radio in 2004 and 57% of French-language radio revenues.

Table 2.5: Tuning to the five largest English-language radio operators, BBM fall 2003 and 2004 surveys⁽¹⁾

Corporation	Listening hours (000) BBM fall		Share of tuning to English- language radio	
	2003	2004	2003	2004
Corus Entertainment Inc.	69,876	70,167	18%	18%
Standard Broadcasting Corporation Limited	64,496	64,526	16%	16%
Rogers Communications Inc.	51,098	44,732	13%	11%
CHUM Limited	34,581	36,019	9%	9%
Newcap Inc.	20,052	20,039	5%	5%
Total	240,103	235,483	61%	59%
Total Canadian English-language radio ⁽²⁾	393,385	397,409	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Listening hours include tuning to public and private Canadian English-language stations.

Sources: BBM Fall 2003 to 2004 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

2. Revenues of the top private commercial radio ownership groups

Table 2.6: Ten largest radio operators radio revenue⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of national revenue		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Corus Entertainment Inc.	52	50	50	198,245	210,529	216,119	18%	18%	18%
Rogers Communications Inc.	42	43	42	156,140	158,264	177,178	14%	13%	14%
Standard Broadcasting Corporation Limited	50	51	51	153,984	164,966	162,884	14%	14%	13%
CHUM Limited	29	30	30	110,283	116,968	121,144	10%	10%	10%
Astral Media Inc.	36	36	34	115,201	115,881	119,368	10%	10%	10%
Newcap Inc.	39	41	41	45,880	55,509	58,012	4%	5%	5%
Jim Pattison Industries Ltd.	19	18	18	29,116	33,365	33,637	3%	3%	3%
Rawlco Radio Ltd.	12	12	12	22,019	27,020	28,907	2%	2%	2%
Elmer Hildebrand (Golden West Broadcasting)	21	21	23	22,066	25,221	27,077	2%	2%	2%
Maritime Broadcasting System Limited	21	21	21	22,685	23,593	22,856	2%	2%	2%
TOTAL	321	323	322	875,619	931,222	967,017	79%	79%	79%
TOTAL Canada (private radio revenues)	526	530	544	1,101,895	1,183,019	1,224,155	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

Includes private commercial networks and commercial ethnic radio stations.

Source: CRTC financial database

- The number of programming undertakings owned by the top ten radio operators and their share of national revenue continues to rise, from 148 and 61% respectively in 1998, to 322 and 79% in 2004.

Table 2.7: Radio revenues of the two largest French-language radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of French-language radio revenue		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Astral Media inc.	27	27	27	107,210	106,441	110,750	60%	55%	57%
Corus Entertainment Inc.	10	10	10	24,638	28,657	31,838	14%	15%	16%
Total	37	37	37	131,848	135,098	142,588	73%	70%	73%
Total private commercial French-language radio	88	87	92	180,038	193,693	195,093	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

Includes network radio revenues.

Source: CRTC financial database

Table 2.8: Radio revenues of the five largest English-language radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of English-language radio revenue		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Corus Entertainment Inc.	42	40	40	173,607	181,872	184,281	19%	19%	18%
Rogers Communications Inc.	42	43	42	156,140	158,264	177,178	17%	16%	18%
Standard Broadcasting Corporation Limited	50	51	51	153,984	164,966	162,884	17%	17%	16%
CHUM Limited	29	30	30	110,283	116,698	121,144	12%	12%	12%
Newcap Inc.	39	41	41	45,880	55,509	58,012	5%	6%	6%
Total	202	205	204	639,894	677,309	703,499	72%	71%	70%
Total English-language radio	425	430	438	893,868	960,121	998,191	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" below.

Includes private commercial network and ethnic radio station revenues.

Source: CRTC financial database

Notes to tables 2.3 to 2.8:

- The ownership structure reflects the licensees' filing of annual returns on 31 August of each year. Ownership transactions not taking effect until after 31 August are not reflected until the following year, except as noted below. The ownership structure relating to the following transactions are based on the date of the approving decision, not the official closing date of the transaction.
- An undertaking's entire annual revenue and tuning is attributed to the corporation that was deemed to be its owner as of 31 August as noted above.
- 2002 and 2003 results have been restated to reflect current data on file.
- The sale of CKDO and CKGE-FM by Corus to Durham Radio is reflected in 2003.
- Standard acquired 4 stations from Craig Broadcasting Systems and 64 stations plus 3 networks from Télémédia in 2002. Of these, Standard sold 13 stations and one network to Rogers and 15 stations to Newcap in 2002. 2003 results include the new CIQK-FM Calgary station.

- Rogers acquired 13 stations and one network from Standard in 2002.
- Astral's results for 2002 and 2003 reflect the transaction that was approved in Broadcasting Decision CRTC 2002-90, the acquisition of assets from Télémédia; during 2002 and 2003 nine Astral stations were held in trust pending their sale: CKRS, CJRC, CHLN, CHLT, CKSM, CKTS, CKAC, CHRC and CFOM-FM (*Acquisition of radio assets in Quebec*, Broadcasting Decision CRTC 2003-205, 2 July 2003).
- Astral's and Corus' results for 2004 do not reflect the transaction that was approved pursuant to Broadcasting Decision CRTC 2005-15, in which Astral acquired 5 stations from Corus and Corus acquired 8 stations and 3 networks from Astral.
- CHUM acquired CKST from Grand Slam Radio Inc. in 2003.
- Newcap acquired 15 stations from Standard in 2002. 2003 results include the new CIHT-FM Ottawa station.
- Elmer Hildebrand (Golden West Broadcasting): 2002 results include new Estevan and Moose Jaw FM stations.

C. Financial performance – Promoting a financially sound sector

- One of the Commission's objectives in developing the Commercial Radio Policy was to ensure a strong, well-financed radio industry that is able to achieve its obligations under the Act.

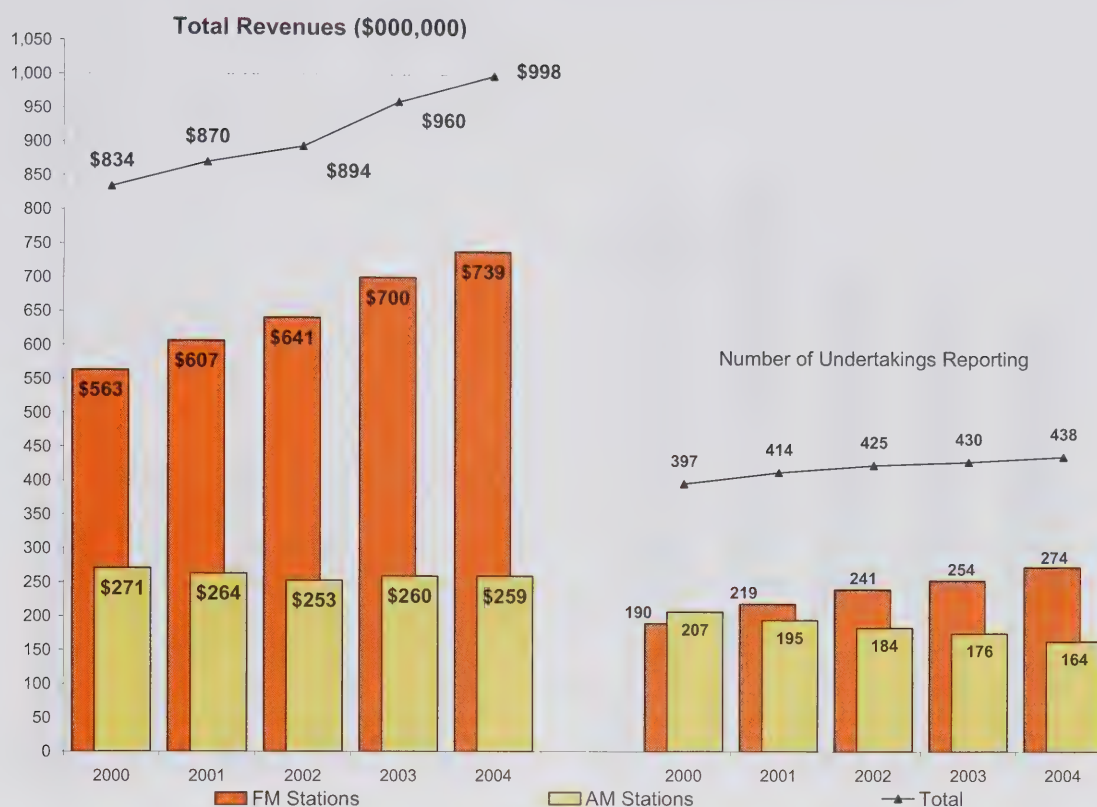
1. Commercial radio revenues

Table 2.9: Revenues – commercial radio – 2000 to 2004

(\$ 000)	2000	2001	2002	2003	2004
Number of radio undertakings reporting	496	514	526	530	544
AM stations	315,119	306,788	297,386	305,232	302,439
FM stations	710,476	762,479	804,509	888,627	921,716
Total	1,025,595	1,069,267	1,101,895	1,193,859	1,224,155
% Annual growth		4%	3%	8%	3%

Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.2: Revenues – English-language commercial radio stations

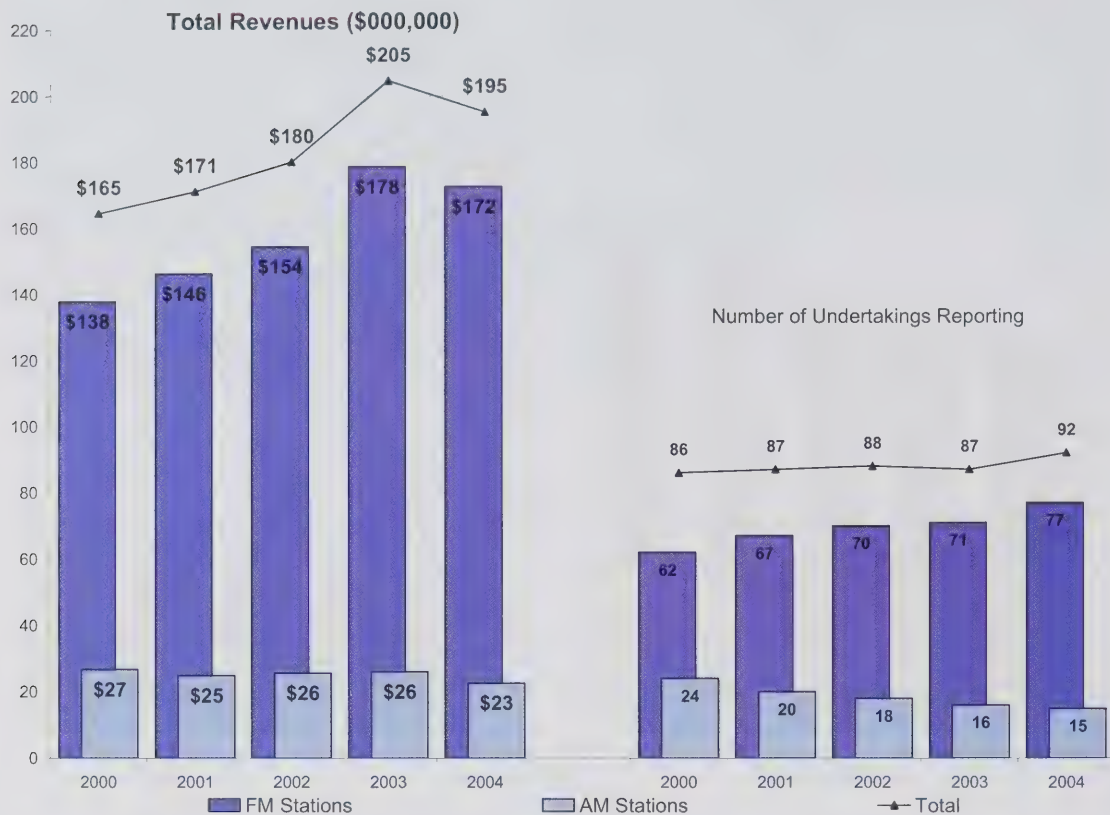


Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.

Source: CRTC financial database

- English-language FM radio revenues increased by 5.5% from 2003 to 2004. FM revenues have increased by an average of 7.0% per year over the past four years.
- English-language AM radio revenues decreased by 0.1% from 2003 to 2004. Over the past four years revenues decreased by an average of 1.0% per year.
- Combined English-language AM and FM radio revenues increased by 4.0% from 2003 to 2004. This represents an average annual increase of 4.6% over the past four years.
- The number of English-language radio stations continues to increase annually. Roughly 40% of the new FM stations reporting in 2004 were by licensees who had converted their AM frequencies to FM frequencies.

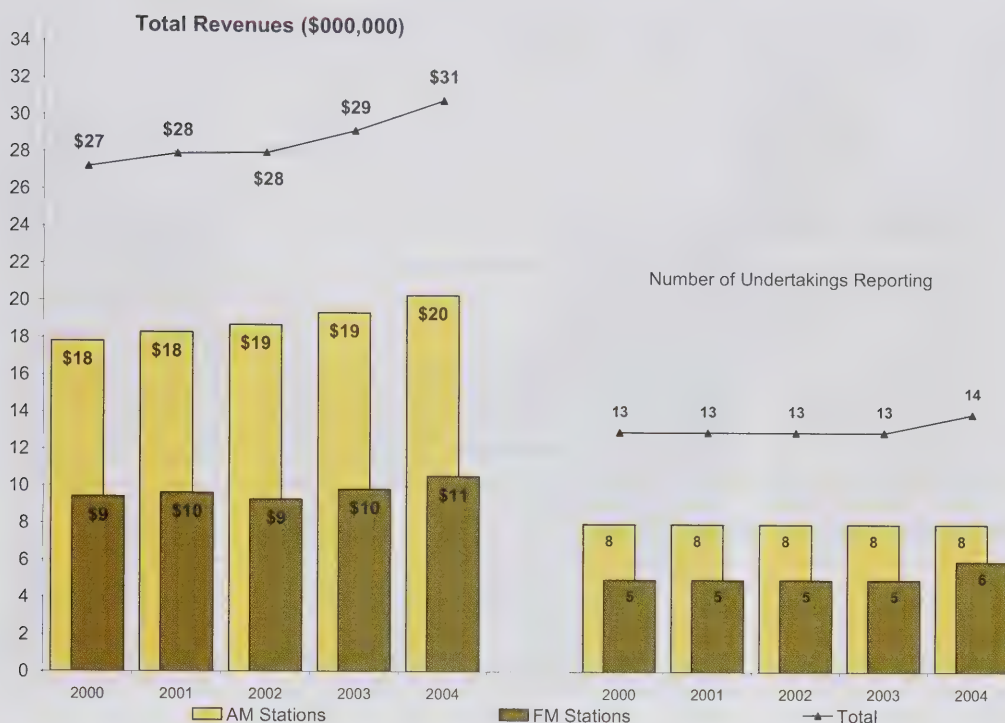
Chart 2.3: Revenues – French-language commercial radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- Revenues for French-language FM radio decreased by 3.4% from 2003 to 2004. FM revenues have increased by an average of 5.8% per year over the past four years.
- Revenues for French-language AM radio decreased by 13.2% from 2003 to 2004. Over the last four years, revenues decreased by an average of 4.1% per year.
- Overall, total revenues for French-language radio decreased by 4.6% from 2003 to 2004. French-language radio has experienced an average annual increase of 4.4% over the past four years.
- French-language AM radio continues to see a steady decline in the number of stations, decreasing from 16 in 2003 to 15 in 2004.

Chart 2.4: Revenues – Ethnic commercial radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- Ethnic radio stations derive approximately 95% of their advertising revenues from local sources, compared to 76% for English- and French-language stations.
- Total revenues for ethnic radio increased 5.7% from 2003 to 2004. Revenues have increased by an average of 3.2% per year over the past four years.

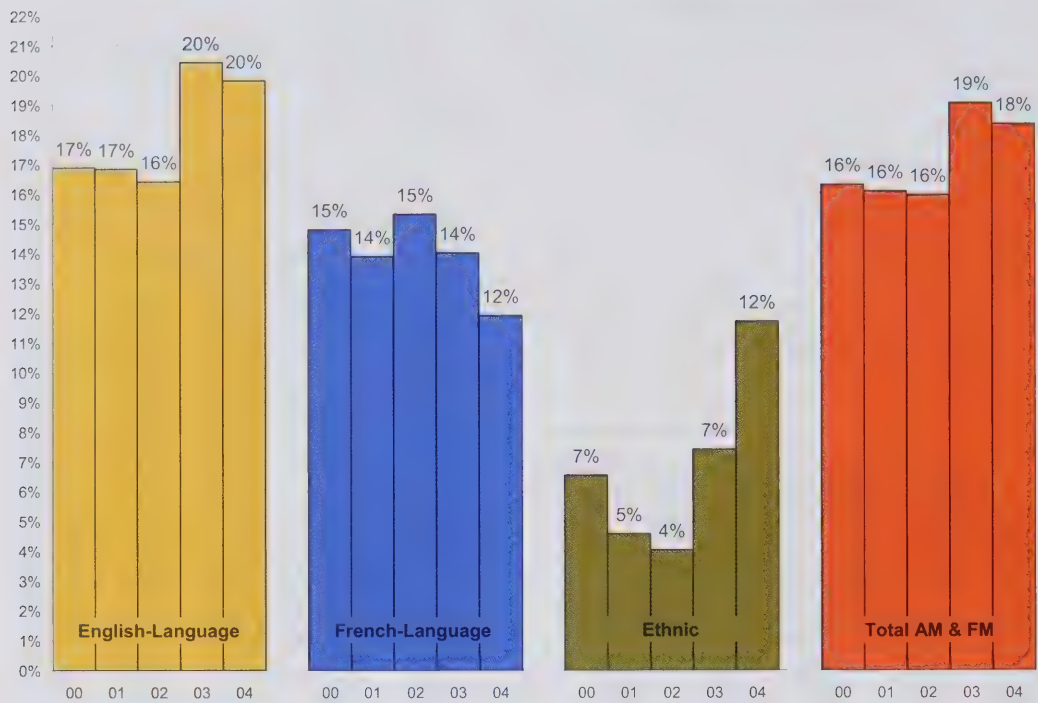
2. Profits before interest and taxes (PBIT) margins

Table 2.10: Commercial radio PBIT in Canada – 2000 to 2004

	2000	2001	2002	2003	2004
Number of radio undertakings reporting	496	514	526	530	544
PBIT (\$ 000)					
AM stations	-15,007	-16,926	-19,777	2,034	3,372
FM stations	181,986	188,530	195,304	224,977	220,725
Total	166,979	171,604	175,527	227,011	224,097
% Annual growth		3%	2%	29%	-1%
PBIT margin					
AM stations	-4.8%	-5.5%	-6.7%	0.7%	1.1%
FM stations	25.6%	24.7%	24.3%	25.3%	24.0%
Total	16.3%	16.1%	15.9%	19.0%	18.3%

Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

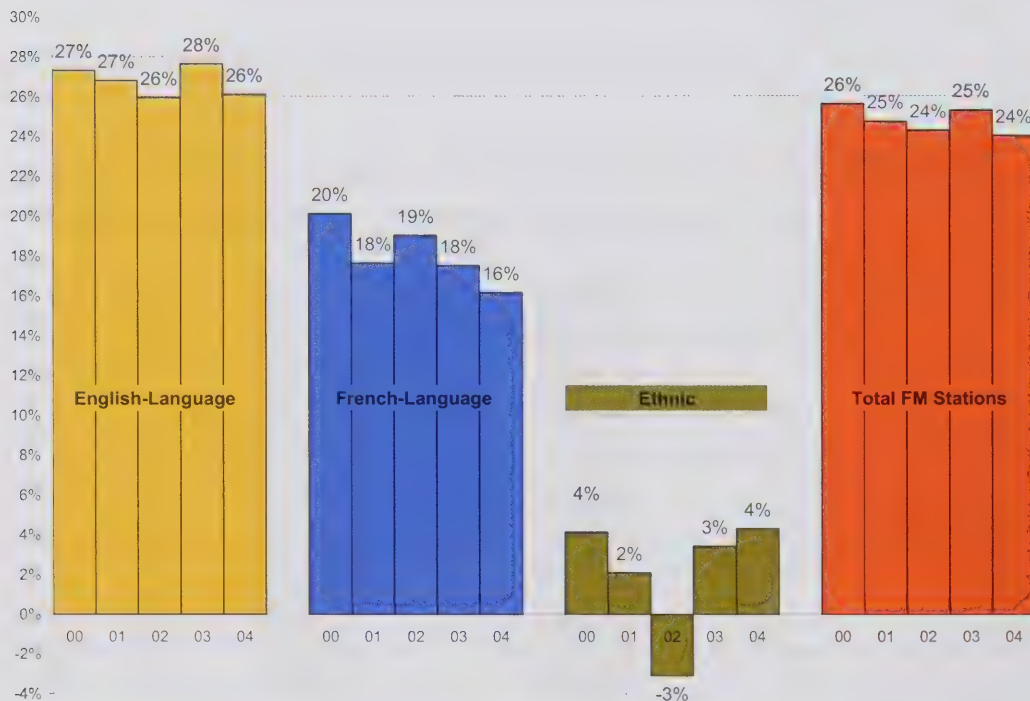
Chart 2.5: PBIT margins – Commercial AM & FM radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.

Source: CRTC financial database

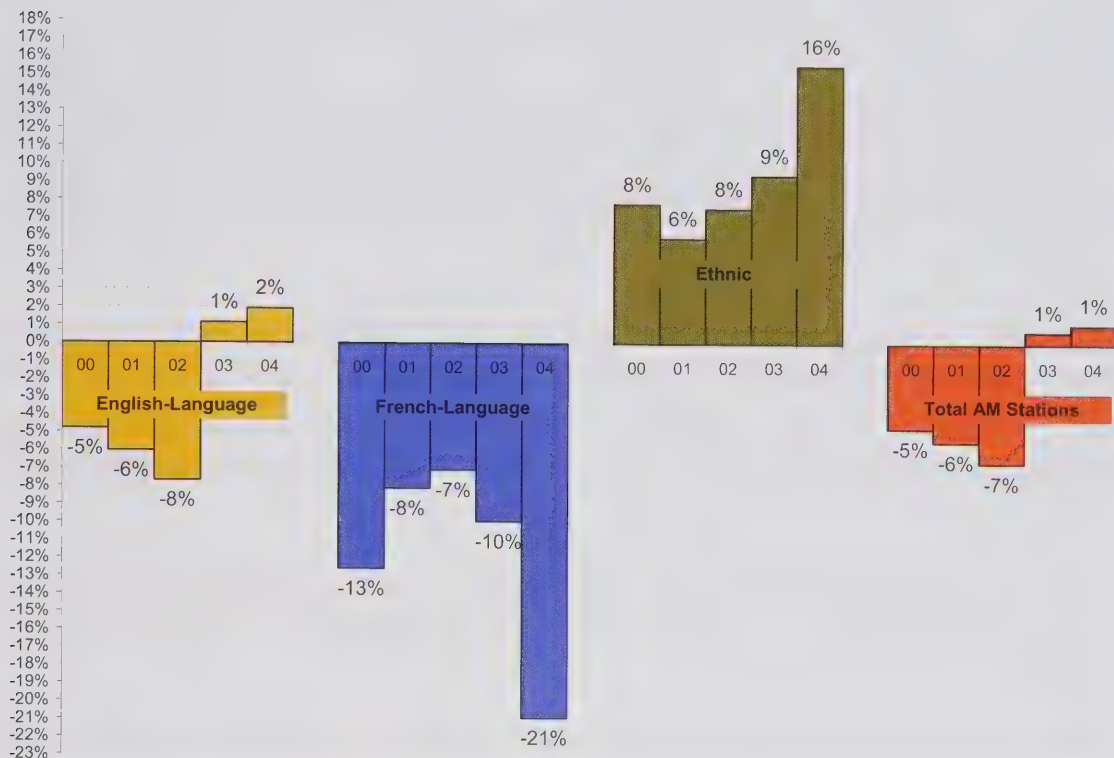
Chart 2.6: PBIT margins – Commercial FM radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.

Source: CRTC financial database

Chart 2.7: PBIT margins – Commercial AM radio stations



Note: Includes network results; 2000 to 2003 figures have been updated to reflect current aggregate results.

Source: CRTC financial database

D. Competitive licensing

- In the Commercial Radio Policy, the Commission determined that in order to encourage competition and choice it would no longer apply the criteria¹ outlined in the *Radio Market Policy*, Public Notice CRTC 1991-74, 23 July 1991 (the *Radio Market Policy*). The elimination of the *Radio Market Policy* combined with the revised common ownership policy has resulted in numerous competitive processes for new FM stations in markets across Canada.
- In *Introductory statement – licensing new radio stations*, Decision CRTC 99-480, 28 October 1999 (Decision 99-480), the Commission outlined the factors that will generally be among those relevant to the evaluation of competitive applications. Decision 99-480 also noted that the relative weight and significance of the factors would vary depending on the specific circumstances of the market concerned.
- The following table reveals the factors that were noted in the Commission's decisions as contributing to the success of competitive applications since the introduction of the Commercial Radio Policy.

¹ The *Radio Market Policy* set out the procedures and criteria to be followed when processing applications for conventional, commercial AM and FM undertakings.

Table 2.11: Factors contributing to successful applications for radio licences considered in competitive processes following the 1998 commercial radio policy

1998 commercial radio policy					Canadian content (1)	CTD	Business plan	Competitive balance	Diversity of voices
Market / Company	Decision number	Language / Type							
Vancouver Island, British Columbia (4 May 1999 PH - 5 applications considered)									
Victoria, O.K. Radio	99-480	e	C	MF, FM (flip)		✓	✓		
Victoria, Rogers	99-480	e	C	MF, FM		✓	✓		
Victoria, Seacoast	99-480	e	C	MF, FM		✓	✓	✓	
Duncan, CKAY	99-480	e	C	MF, FM (flip)			✓		
Ontario (28 June 1999 PH - 4 applications considered)									
London, CHUM Limited	99-482	e	C	MF, FM		✓	✓		
Saskatchewan / Alberta (16 November 1999 PH - 5 applications considered)									
Saskatoon, SK, Hildebrand	2000-73	e	C	MF, FM	✓	✓	✓	✓	
Lloydminster, AB, Peace River	2000-93	e	C	MF, FM	✓	✓	✓		✓
Ontario (6 December 1999 PH - 7 applications considered)									
Hamilton/Burlington, Kirk/Roe	2000-142	e	C	MF, FM		✓	✓		✓
Barrie, Rock 95	2000-143	e	C	MF, FM	✓	✓	✓	✓	
Belleville/Trenton, Zwig	2000-155	e	C	MF, FM			✓	✓	
Ontario, PN 2008-84 (31 January 2000 PH - 16 applications considered)									
Toronto, Milestone	2000-203	e	C	MF, FM			✓		✓
Toronto, AVR	2000-204	e/n	N	Type B, FM					✓
Toronto, PrimeTime	2000-205	e	C	MF, AM		✓	✓		✓
New Brunswick (6 March 2000 PH – 7 applications considered)									
Moncton, Maritime	2000-360	e	C	MF, FM (flip)				✓	
Moncton, Atlantic	2000-360	e	C	MF, FM			✓	✓	
Moncton, Losier	2000-361	f	C	MF, FM			✓		✓
Saint-John, NBBC	2000-362	e	C	MF, FM				✓	
St. Stephen, NBBC	2000-363	e	C	MF, FM				✓	
Ontario (9 May 2000 PH - 3 applications considered)									
Kingston, Wright	2000-392	e	C	MF, FM		✓	✓		✓
Alberta (30 October 2000 PH - 6 applications considered)									
Calgary, Standard	2001-172	e	C	MF, FM	✓		✓	✓	
Calgary, Telemedia	2001-172	e	C	SpMF(NAC/jazz) FM	✓		✓		✓
Calgary, AVR	2001-172	e/n	N	Type B, FM					✓
British Columbia, PN 2001-63 (20 November 2000 PH - 17 applications considered)									
Vancouver, Focus	2001-312	e	C	MF, FM		✓	✓		✓
Vancouver, CBC	2001-313	f	NC	SRC2, FM					✓
Vancouver, AVR	2001-314	e/n	N	Type B, FM					✓
Burnaby, SFU Community	2001-315	e	CC	FM					✓
Ontario / Québec, PN 2001-105 (22 May 2001 PH - 11 applications considered)									
Ottawa/Gatineau, Radio 1540	2001-625	o	C	Sp(ethnic), FM		✓	✓		✓
Ottawa/Gatineau, Radio Nord	2001-626	f	C	SpMF(classical) FM	✓	✓	✓		✓
Ottawa/Gatineau, AVR	2001-627	e/n	N	Type B, FM					✓
Ottawa/Gatineau, Newcap	2001-628	e	C	MF, FM	✓	✓	✓		

Table 2.11 (continued)

Market / Company	Decision number		Language / Type		Canadian content (1)	CTD	Business plan	Competitive balance	Diversity of voices
<i>Manitoba, PN 2002-41 (4 February 2002 / PH - 7 applications considered)</i>									
Winnipeg, Global	2002-224	e	C	SpMF(jazz) FM	✓	✓	✓		
Winnipeg, Rogers	2002-224	e	C	MF, FM (flip)			✓		
Winnipeg, Radiolink	2002-225	e	C	SpMF(1920's-70's) FM			✓		
Winnipeg, HIS Broadcasting	2002-226	e	C	SpMF(religious) FM	✓	✓			
Winnipeg, Red River Campus	2002-227	e	CI	FM		✓			
<i>Québec (18 February 2002 PH - 4 applications considered)</i>									
Québec, Cogéco	2002-191	f	C	MF, FM	✓	✓		✓	
<i>Toronto, PN 2003-20 (17 September 2002 PH - 17 applications considered)</i>									
Toronto, Canadian Multicultural Radio	2003-115	o	C	Sp(ethnic), FM	✓				✓
Toronto, Coopérative radiophonique de Toronto	2003-116	f	CO	Type B FM	✓			✓	
Toronto, Father Hernan Astudillo	2003-117	o	CO	Type B (ethnic) AM	✓				✓
Toronto, Sur Sagar Radio Inc.	2003-118	o	C	Sp(ethnic), digital	✓				✓
<i>Kitchener-Waterloo, PN 2003-25 (28 October 2002 PH - 11 applications considered)</i>									
Kitchener-Waterloo, Global	2003-152	e	C	MF, FM	✓	✓	✓		
Kitchener-Waterloo, Larche	2003-153	e	C	MF, FM	✓	✓	✓		✓
Kitchener-Waterloo, Sound of Faith	2003-154	e	NC	Sp(religious) FM		✓			✓
Kitchener-Waterloo, AVR	2003-155	e/n	N	Type B, FM					✓
<i>Newfoundland (10 December 2002 PH - 2 applications considered)</i>									
St. John's, Newman/Bell	2003-171	e	C	MF, FM			✓		✓
<i>Québec, PN 2003-33 (3 February 2003 PH - 25 applications considered)</i>									
Montréal, Radio Nord	2003-192	f	C	SpMF(jazz) FM	✓	✓	✓		✓
Laval, Lajoie/Chabot	2003-193	f	C	SpMF(40's-70's), AM			✓		✓
Montréal, Canadian Hellenic Cable Radio	2003-194	o	C	Ethnic FM					✓
Montréal, AVR	2003-195	e/f/n	N	Type B, FM					✓
Sherbrooke, Cogéco	2003-197	f	C	MF, FM	✓	✓		✓	✓
Sherbrooke, Génération Rock	2003-198	f	C	MF, FM	✓			✓	✓
Trois Rivières, Cogéco	2003-201	f	C	MF, FM	✓	✓		✓	✓
<i>Alberta, PN 2004-23 (18 June 2003 PH - 13 applications considered)</i>									
Red Deer, CBC	2004-116	e	NC	CBC2, FM					✓
Red Deer, Pattison	2004-117	e	C	MF, FM				✓	
Edmonton, CHUM / Milestone	2004-133	e	C	MF, FM	✓	✓	✓		
Edmonton, AVR	2004-134	e/n	N	Type B, FM					✓
Edmonton, O.K. Radio	2004-135	e	C	MF, FM	✓	✓	✓		
Edmonton, Rawlco	2004-136	e	C	SpMF(jazz), FM	✓	✓	✓		
<i>Atlantic, PN 2004-91 (1 March 2004 PH - 25 applications considered)</i>									
Halifax, Rogers	2004-513	e	C	SP (Spoken Word) FM	✓	✓			✓
Halifax, CKMW Radio	2004-514	e	C	MF, FM	✓	✓	✓		✓
Halifax, Global	2004-515	e	C	MF, FM	✓	✓	✓		
Halifax, International Harvesters	2004-516	e	C	MF, FM					✓
Moncton, Rogers	2004-517	e	C	SP (Spoken Word) FM	✓	✓			✓
Moncton, Radio Beauséjour	2004-518	f	CO	Type B, FM					✓
Saint John, Rogers	2004-520	e	C	SP (Spoken Word) FM	✓	✓			✓

Table 2.11 (continued)

Market / Company	Decision number	Language / Type			Canadian content (1)	CTD	Business plan	Competitive balance	Diversity of voices
Saint John, Coopérative	2004-521	f	CO	Type A, FM					✓
Fredericton, Newcap	2004-522	e	C	MF, FM		✓	✓		✓
Fredericton, Ross Ingram	2004-523	e	C	SP (Spoken Word) FM					✓
Total (68 stations)					28	33	35	14	43

Source: CRTC Public Notices and Decisions (noted in table)

Legend: *Languages*: e = English-language, f = French-language, e/n = English & Aboriginal, f/n = French & Aboriginal, o = 3rd languages (other than English, French & Aboriginal) *Type*: C = Commercial, NC = Non-Commercial, N = Native, CO = Community, CC = Community based Campus, CI = Campus Instructional, MF = Musical format, SpMF = Specialty music format, Flip = Conversion of existing AM radio station to FM frequency, CBC1 = English-language CBC "Radio One" format, CBC2 = English-language CBC "Radio Two" format, SRC1 = French-language CBC "La première chaîne" format, SRC2 = French-language CBC "Espace musique" format.

(1) "Canadian Content" refers to applications that proposed to exceed the minimum regulatory requirement of Canadian content.

E. Canadian talent development

The Commission reviews contributions by radio licensees to Canadian talent development (CTD) in the context of:

- applications for new radio stations
- transfers of control or ownership (benefits)
- renewal of radio licences

1. Applications for new radio stations

- Between the introduction of the Commercial Radio Policy in 1998 and 31 March 2005, the Commission licensed 68 new radio stations through competitive processes in markets across Canada. The successful applicants have committed over \$44 million to CTD initiatives over their initial licence terms.
- In addition, there were 126 new radio licences or AM to FM flips granted without a competitive process. These licensees committed a combined \$1.14 million towards CTD initiatives.

2. Transfers of control or ownership (benefits)

- As outlined in the Commercial Radio Policy, applicants for the transfer of ownership or control of commercial radio stations must make commitments that represent a minimum direct financial contribution to CTD of 6% of the value of the transaction. Three percent is to be allocated to the StarMaker/RadioStar music marketing and promotion fund, two percent to either FACTOR or MusicAction and one percent at the discretion of the purchaser to other eligible CTD initiatives.

- From the adoption of the Commercial Radio Policy to 31 March 2005, the Commission has approved 86 control and/or ownership transactions involving 346 radio stations.
- CTD commitments (benefits) from these transactions have totalled \$93.9 million.

Table 2.12: Value of radio transactions and corresponding transfer benefits for the period 1 May 1998 to 31 March 2005

(\$000,000)	English-language services			French-language services			Total benefits
	# of Trans.	Value of the transaction*	Benefits	# of Trans.	Value of the transaction*	Benefits	
1 May 98 to 31 Aug. 98	3	9.6	0.3	0	0.0	0.0	0.3
1 Sep. 98 to 31 Aug. 99	17	281.1	14.8	4	5.0	0.3	15.1
1 Sep. 99 to 31 Aug. 00	16	386.8	23.0	4	11.4	0.7	23.7
1 Sep. 00 to 31 Aug. 01	11	98.7	5.7	1	110.0	6.6	12.3
1 Sep. 01 to 31 Aug. 02	14	458.2	27.6	2	227.0	13.6	41.2
1 Sep. 02 to 31 Aug. 03	2	5.5	0.0	1	0.4	0.0	0.0
1 Sep. 03 to 31 Aug. 04	5	3.7	0.2	1	-	-	0.2
1 Sep. 04 to 31 Mar. 05	4	13.7	0.5	1	22	0.7	1.1
Total	72	1257.3	72.1	14	375.8	21.9	93.9

* Value determined by the Commission for the purpose of calculating transfer benefits.

Source: CRTC Decisions and Administrative approvals

3. Renewal of radio licences

- As part of their licence renewal applications, all licensees of private commercial radio stations are asked to make an annual financial commitment to CTD.
- In *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, the Commission, in conjunction with the industry, established an approach that would ensure a minimum annual payment of \$1.8 million to eligible third parties associated with CTD.
- The following table indicates the amount of money contributed to CTD initiatives in the context of licence renewals.

Table 2.13: CTD annual contributions – Licence renewals

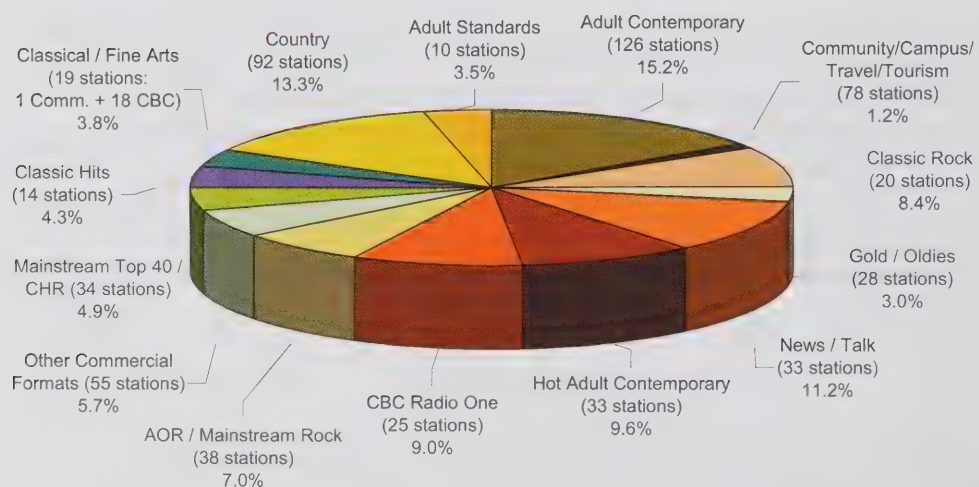
(\$000)	1999	2000	2001	2002	2003	2004
A 3rd Party Contributions						
FACTOR	965	835	895	891	747	775
MusicAction	288	270	258	308	365	332
Other :						
- Music organizations	407	506	385	543	753	459
- Performing arts groups	409	110	689	517	182	605
- Schools or scholarships	138	125	123	106	129	91
Total other	953	740	1,197	1,165	1,064	1,155
TOTAL 3 rd party contributions	2,206	1,845	2,350	2,364	2,176	2,262
B Local initiative contributions	614	657	570	718	909	625
TOTAL – CTD contributions	2,820	2,502	2,920	3,083	3,086	2,887

Source: CRTC financial database and annual returns

F. Popularity of formats

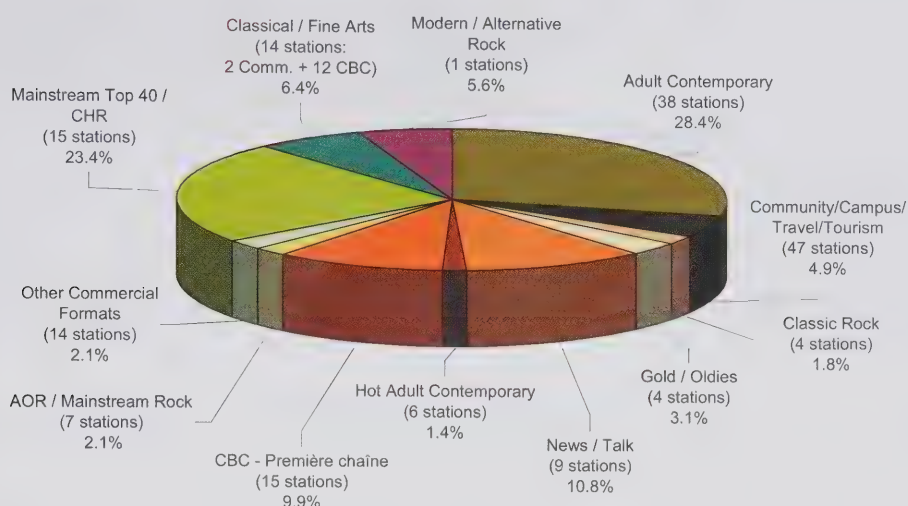
- Charts 2.8 and 2.9 show the percentage of tuning to Canadian English- and French-language radio stations by format. These charts also indicate the number of Canadian stations that were broadcasting in these formats. The information used is based on BBM Fall 2004 data and excludes tuning to ethnic, bilingual and U.S. stations.

Chart 2.8: English-language station formats – BBM Fall 2004²



² BBM Fall 2004, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday – Canadian English-language stations.

Chart 2.9: French-language station formats – BBM Fall 2004³



G. Promoting the airplay of Canadian and French-language vocal music

- In 1998, the Commercial Radio Policy increased the required minimum percentage of category 2 musical selections each broadcast week that must be Canadian from 30% to 35% for commercial AM and FM radio stations.
- The Commercial Radio Policy maintained the minimum level of French-language vocal category 2 music selections to be aired during each broadcast week at 65% and introduced the requirement that at least 55% of vocal category 2 music broadcast Monday through Friday between 6 a.m. and 6 p.m. be in the French language.
- These requirements have since been incorporated into the *Radio Regulations, 1986*, as amended from time to time.
- Table 2.14 provides the percentage of commercial radio stations that were in compliance with their Canadian content and French-language vocal music requirements in 2004. The results are based on a limited sample of stations analyzed from 1 January 2004 to 31 December 2004 and are not necessarily representative of the radio industry as a whole.

³ BBM Fall 2004, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday – Canadian French-language stations.

Table 2.14: Canadian content and French-language vocal music

Requirement	Number of stations analyzed in 2004	% Meeting requirement	
		All day & weekly	6 a.m. to 6 p.m. Monday to Friday
35% Canadian content (<i>English-language stations</i>)	25	92%	96%
65% weekly French-language vocal music	6	100%	<i>Not applicable</i>
55% French-language vocal music Mon to Fri – 6 a.m.-6 p.m.		<i>Not applicable</i>	83%

Source: CRTC, Evaluation of licence renewal applications from 1 January 2004 to 31 December 2004

- The Commission's approach to radio licensees found in non-compliance is outlined in *Practices regarding radio non-compliance*, Circular No. 444, 7 May 2001.

H. Transitional digital radio

- The Commission issued *A policy to govern the introduction of digital radio*, Public Notice CRTC 1995-184, on 29 October 1995.
- As of 21 February 2005, 76 licences for transitional digital radio programming undertakings have been granted. Of these licences, 57 have been issued to existing commercial radio programming undertakings, one to a stand-alone ethnic radio programming undertaking and 18 to existing CBC stations.

Table 2.15: Markets with transitional digital radio stations in Canada⁽¹⁾

Market/Province ⁽²⁾	Commercial			CBC English		CBC French		Total
	English	French	Ethnic	Radio One	Radio Two	Première chaîne	Espace musique	
Montréal, QC	2	6	-	1	1	1	1	12
Ottawa/Gatineau, ON/QC	8	3	-	1	1	1	1	15
Toronto, ON	17	-	7	1	1	1	1	28
Vancouver, BC	9	-	-	1	1	1	1	13
Victoria, BC	2	-	-	-	-	-	-	2
Windsor, ON	4	-	-	1	1	-	-	6
All Canada	42	9	7	5	5	4	4	76
	58			18				

(1) Numbers of stations approved but not necessarily on air.

(2) Based on BBM Radio Markets

Includes stand-alone ethnic digital radio station located in Toronto

Source: CRTC APP 1205 report (21 February 2005)

I. Ethnic radio

- The Commission revised its ethnic broadcasting policy in *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999.
- The primary goal of the policy was to ensure access by Canadians to ethnic programming to the extent practicable, given resource limitations. As one way of furthering this objective, the Commission has licensed ethnic radio broadcasters that specialize in providing ethnic programming.
- As of 31 March 2005 there were 17 commercial AM and FM ethnic radio stations licensed to broadcast in Canada:

Vancouver

- CJVB is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 23 different languages.
- CHKG-FM is required to provide programming directed to a minimum of 20 cultural groups in a minimum of 15 different languages.
- CHMB is required to broadcast ethnic programming directed to a minimum of 12 cultural groups in a minimum of 12 different languages. The station is also required to provide programming directed to Aboriginal people.

Edmonton

- CKER-FM is required to broadcast, during each broadcast week, ethnic programming directed towards not less than 19 distinct ethnic groups, in not less than 19 different languages.

Calgary

- CHKF-FM is required to provide ethnic programming during each broadcast week that is directed to a minimum of ten ethno-cultural groups in a minimum of 19 different languages.

Winnipeg

- CKJS is required to broadcast ethnic programming directed towards not less than 19 cultural groups, in not less than 16 different languages in each broadcast week.

Toronto

- CIRV-FM is required to provide programming directed to a minimum of nine cultural groups in a minimum of nine different languages.
- CHIN-FM is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 20 different languages.

- CHIN is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 17 different languages.
- CHKT is required to broadcast a maximum of 66 hours per broadcast week of ethnic programming directed to the Chinese community.
- CJSA-FM is required to offer programming directed to a minimum of 16 cultural groups in a minimum of 22 languages.
- CIAO is required to provide programming directed to a minimum of 12 cultural groups in a minimum of 13 different languages.
- CJMR is required to provide programming directed to a minimum of 11 cultural groups in a minimum of 15 different languages.

Montreal

- CFMB is required to provide programming directed to a minimum of 19 cultural groups in a minimum of 18 different languages.
- CJWI is a French-language ethnic station. The station must devote no less than 90% of its programming to French-language ethnic programming, targeting the Haitian, Latin-American and African communities.
- CKDG-FM is required to direct programming primarily to a minimum of six cultural groups in a minimum of eight languages.

Ottawa

- CJLL-FM is required to provide programming to a minimum of 37 cultural groups in a minimum of 20 different languages.

J. Religious radio

- The Commission's *Religious broadcasting policy* is set out in Public Notice CRTC 1993-78, 3 June 1993.
- The Commission's approach to religious broadcasting is based on the following principles:
 - Recognition of alternative values: the policy recognizes the legitimate needs and interests of those who wish to receive various kinds of religious programming.
 - Importance of balance: licensees are required to provide balance on matters of public concern and the Commission considers that religion is a matter of public concern. Balance means that a reasonably consistent listener will be exposed to a spectrum of differing views on issues of public concern within a reasonable period of time.

- As of 21 February 2005, there were 60 radio stations licensed to broadcast in Canada in a religious spoken word format or religious music format. Of these 60 stations, 25 are French-language, 34 are English-language and one is third-language.

K. Native radio

- Native radio is governed by the *Native broadcasting policy*, Public Notice CRTC 1990-89, 20 September 1990. The policy framework is designed to improve the quality and quantity of access by aboriginal broadcasters to the Canadian broadcasting system.
- These undertakings play a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.
- The greatest concentration of activity in Aboriginal broadcasting involves community-based radio stations in small remote locations.
- There are two types of Native radio stations:
 - Type A: A Native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.

As a result of *Exemption order respecting certain native radio undertakings*, Public Notice CRTC 1998-62, 9 July 1998, Type A stations are no longer required to hold a broadcasting licence from the Commission.

- Type B: A Native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force. There are currently 45 Type B Native radio stations licensed.
- Advertising is not one of the principal sources of revenue for Native radio stations.

Table 2.16: Revenues for type B Native radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	16	15	13	10	16	16	15
Local advertising	1,123	1,182	1,183	1,056	1,546	1,859	1,524
National advertising	1	47	83	137	181	223	91
Other	3,391	3,376	4,031	4,943	7,310	8,059	4,699
Total revenues	4,516	4,606	5,297	6,137	9,037	10,141	6,314
% of Non-advertising revenues	75%	73%	76%	81%	81%	79%	74%

Source: CRTC financial database

L. Community radio

- The *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000 (Community Radio Policy), states that the primary objective for community radio stations is to provide a local programming service that differs in style and substance from the services provided by commercial stations and the Canadian Broadcasting Corporation (CBC). Programming should be relevant to the communities served, including official language minorities, adding diversity to the broadcasting system by increasing program choice in both music and spoken word.
- A community radio station is owned and controlled by a not-for-profit organization, the structure of which provides for membership, management, operation and programming primarily by members of the community at large. In addition to advertising revenues, community radio stations also receive revenues from fundraising, grants, and other sources.
- There are two kinds of community radio stations: Type A and Type B. A community station is a Type A station if, at the time of licensing, no radio station other than the CBC is operating in the same language in all or part of the same market. A community station is a Type B station if, at the time of licensing, there is at least one station, other than the CBC, operating in the same language in all or part of the same market.
- There are currently 42 type A and 48 type B community stations. Of the type A community stations, 29 are French-language, 12 are English-language and one is bilingual. Of the type B community stations, 22 are French-language, 24 are English-language, one is bilingual and one is multicultural.

Table 2.17: Revenues for type A community radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	24	22	22	18	23	24	20
Local advertising	2,001	2,117	2,053	2,059	2,155	1,995	1,988
National advertising	330	459	535	658	617	705	450
Other	2,445	2,557	2,195	2,399	2,749	2,902	2,576
Total revenues	4,776	5,133	4,783	5,116	5,521	5,602	5,014
% of non-advertising revenues	51%	50%	46%	47%	50%	52%	51%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

Table 2.18: Revenues for type B community radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	21	23	19	22	14	25	19
Local advertising	3,199	2,935	2,131	2,622	2,189	3,842	2,592
National advertising	485	551	596	613	371	794	459
Other	2,956	3,288	2,851	2,870	2,422	3,352	2,595
Total revenues	6,640	6,774	5,579	6,105	4,982	7,988	5,646
% of non-advertising revenues	45%	49%	51%	47%	49%	42%	46%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

M. Campus radio

- As stated in *Campus radio policy*, Public Notice CRTC 2000-12, 28 January 2000, there are two types of campus radio stations, community-based campus and instructional. A community-based campus station's programming is primarily produced by volunteers who are either students or community members. The primary objective of an instructional campus station is the training of professional broadcasters.
- There are currently 53 campus stations licensed across Canada: 43 community-based campus stations and ten instructional campus stations.
- Of the community-based campus stations, six are French-language, 36 are English-language and one is bilingual.
- The majority of campus radio revenues come from sources other than advertising, for example, revenues from the educational institution with which they are associated, grants, the local community, fundraising, etc.

Table 2.19: Revenues for community-based campus radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	28	30	21	21	21	20	20
Local advertising	495	739	453	339	425	467	236
National advertising	54	84	41	49	55	62	49
Other	3,243	3,807	3,001	2,686	2,858	3,503	2,724
Total revenues	3,792	4,630	3,494	3,074	3,338	4,032	3,009
% of non-advertising revenues	86%	82%	86%	87%	86%	87%	91%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database.

Table 2.20: Revenues for instructional campus radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004
Number of radio undertakings reporting	4	5	6	6	6	6	6
Local advertising	234	152	105	133	149	232	56
National advertising	-	-	-	-	-	-	-
Other	126	178	217	234	198	195	323
Total revenues	360	330	321	366	348	427	379
% of non-advertising revenues	35%	54%	68%	64%	57%	46%	85%

Note: 2000 to 2003 figures have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

N. Low-power radio

- The licensing policy for low-power radio is set out in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002. This policy includes a definition of markets where low-power frequencies will be deemed to be scarce, circumstances where a call for competing applications may occur and a priority system for assessing competing low-power radio applications.
- The following table sets out the number of low- and very low-power radio stations in Canada as of 24 March 2005, by type.

Table 2.21: Number of originating low- and very low-power radio stations in Canada by type

Type	Private English-language	Private French-language	Other	Total
Tourist / Travel	65	3	1	69
Native type B	20	5	1	26
Religious	21	21	-	42
Community - type A	4	6	-	10
Community - type B	9	2	-	11
Campus community	9	-	-	9
Campus instructional	4	-	-	4
Commercial	13	2	1	16
Specialty	-	-	1	1
Total	145	39	4	188

Source: CRTC Decisions

O. Audio services delivered by broadcasting distribution undertakings

1. Specialty audio services

- In *New licensing framework for specialty audio programming services*, Broadcasting Public Notice CRTC 2002-53, 12 September 2002, the Commission recognized the scarcity of over-the-air frequencies by offering an opportunity for a range of new discretionary specialty audio programming services distributed through other means.
- Specialty audio services are defined as audio programming services that are radio undertakings, other than licensed over-the-air services, delivered by BDUs and are specialized with respect to their content and/or target audience.
- There is no limit to the amount of advertising that may be broadcast on these services. There is also no carriage guarantee.
- From 1 October 2002 to 21 February 2005, the Commission approved 15 specialty audio services (two regional and 13 national) targeting eight ethnic communities and three Christian communities.

2. Pay audio programming services

- In 1995,⁴ following a competitive process, the Commission approved two national pay audio programming services known as Galaxie and Max Trax. These services offer 30 channels of commercial-free music. Each channel is devoted to a specific type of music, including classical, contemporary Christian, jazz, rap, rock, etc.
- Galaxie and Max Trax are carried on a discretionary basis by major distributors across Canada. Subscriber revenue is the principal revenue source for these services.

P. Multi-channel subscription radio services

- In *Call for applications for a broadcasting licence to carry on a multi-channel subscription radio programming undertaking*, Broadcasting Public Notice CRTC 2003-68, 23 December 2003, the Commission issued a call for applications for parties wishing to seek authority to carry on a multi-channel audio distribution undertaking for direct reception by subscribers. Since no such service is currently licensed for operation in Canada, the Commission indicated that it had not reached any conclusion with respect to the viability of such a service, nor had it determined

⁴ *Licensing of four new pay audio programming undertakings*, Public Notice CRTC 1995-218, 20 December 1995; *New Pay Audio Programming Undertaking (Select Digital Music)*, Decision CRTC 93-235, 25 June 1993.

whether it would authorize such a service at this time. The Commission held a public hearing commencing on 1 November 2004⁵ to consider three applications for this type of licence.

Q. The national public broadcaster

- The Canadian Broadcasting Corporation (CBC) is Canada's national public broadcaster. As such, pursuant to section 3(1)(l) of the Act, it should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

1. Over-the-air radio stations

- The CBC operates four national radio network services: Radio One and Radio Two in English, and La Première chaîne and Espace musique in French. Additionally, the CBC provides a unique radio service in Canada's North, broadcasting in English, French and eight Aboriginal languages. CBC also operates Radio-Canada International, an international short-wave radio service.
- CBC radio services broadcast commercial-free and are funded by the federal government.

2. Pay audio services

- CBC owns and operates the national pay audio service Galaxie. The revenues of this bilingual service are derived entirely from subscriber revenues.

⁵ Broadcasting Notice of Public Hearing CRTC 2004-6, 6 July 2004.

III. Television

A. Audience

1. Average weekly hours per viewer

- BBM data indicates that the average total weekly hours per viewer 2+ decreased in 2004 by approximately 35 minutes.
- Nielsen also reports a 30-minute decrease in the average weekly viewing from 2003 to 2004.

Chart 3.1: Average weekly hours per viewer – all persons 2+ – Fall



Sources: BBM: Diary data Fall survey period; Nielsen Media Research & CBC Research

2. Average weekly hours per capita

- On a per capita basis in 2004, the average weekly hours for Nielsen and BBM were 25.8 and 21.4 hours, respectively.
- The following table sets out the average weekly viewing hours per capita by age group for the Fall 1999 to Fall 2004 survey periods (BBM Fall surveys, all persons 2+, 6 a.m. to 2 a.m. broadcast day).

Table 3.1: Per capita average weekly viewing hours by age group

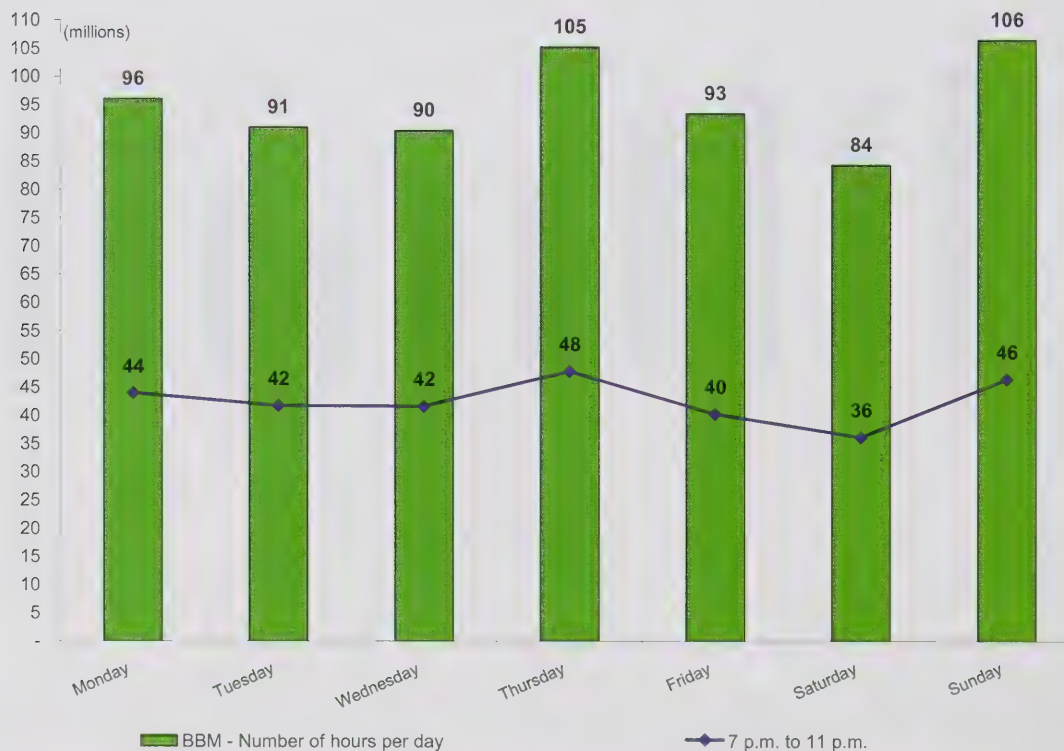
BBM Fall - all persons 2+ - 6 a.m. to 2 a.m. broadcast day									
BBM Fall	All persons 2+	Children 2-11	Teens 12-18	Adults					
				18-24	25-34	35-49	50-54	55-59	60+
1999	21.6	15.5	15.5	15.7	19.2	20.5	23.4	27.2	33.8
2000	21.5	15.5	14.1	14.8	19.0	20.2	23.4	27.3	34.2
2001	21.2	14.2	13.1	14.6	18.5	20.4	24.1	26.4	34.0
2002	21.6	14.6	13.7	14.4	19.2	20.7	24.1	26.3	34.1
2003	21.7	14.0	14.8	13.1	19.1	20.9	23.9	27.3	34.2
2004	21.4	14.1	12.9	13.6	18.6	20.4	24.6	27.4	33.6

Source: MicroBBM – 1999 to 2004 Fall surveys

- Average viewing for all persons 2+ has remained relatively stable since 1999.

3. Average daily viewing hours

Chart 3.2: Average daily viewing hours – all persons 2+ – BBM Fall 2004 – 6 a.m. to 2 a.m. broadcast day



- Sunday and Thursday continue to be the most popular television viewing days of the week, as reported by both Nielsen and BBM.

4. Viewing share of Canadian and non-Canadian services by language and type of service

**Table 3.2: Fall 1993 to Fall 2004 for all persons 2+
Monday to Sunday, 6 a.m. to 2 a.m.
All provinces excluding Quebec**

	Viewing share % – Fall												Inc./Dec. 93 to 04
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Canadian services:													
<i>English language</i>													
- Private conventional	44.1	42.9	42.6	41.3	39.6	37.5	37.6	35.9	33.3	34.8	35.1	35.3	(8.8)
- CBC & affiliates	12.9	13.2	12.0	11.5	10.6	9.1	7.5	7.5	6.9	6.8	7.1	6.4	(6.5)
- Pay & specialty	6.2	5.9	9.0	9.6	13.0	14.7	16.9	19.5	20.0	21.4	22.6	22.4	16.1
- Digital specialty*									1.8	1.4	1.6	1.9	1.9
- TVO	0.8	1.0	1.0	1.1	1.2	1.3	1.2	1.3	1.0	1.2	1.0	1.1	0.3
- Other**	0.6	0.7	0.7	0.8	0.8	0.7	0.8	0.7	1.1	1.4	1.2	1.5	0.9
Total English	64.6	63.7	65.1	64.3	65.3	63.3	64.0	65.0	64.1	66.9	68.6	68.6	4.0
<i>French language</i>													
- Private conventional	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.4	0.5	0.5	(0.1)
- SRC & affiliates	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.5	0.5	0.4	0.3	0.4	(0.2)
- Pay & specialty***	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2
Total French	1.3	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.2	1.1	1.1	1.2	(0.1)
<i>Other languages</i>													
- Private conventional	1.2	1.5	1.2	1.0	0.9	1.1	1.0	0.9	0.7	0.9	1.4	1.5	0.3
- Pay & specialty	0.1	0.2	0.4	0.4	0.5	0.5	0.7	0.8	0.5	0.6	0.4	0.6	0.4
- Digital specialty*									0.0	0.0	0.0	0.0	0.0
Total other	1.3	1.7	1.6	1.4	1.4	1.6	1.7	1.7	1.2	1.6	1.8	2.1	0.8
Total Cdn. services	67.3	66.6	68.0	67.0	68.0	66.3	66.9	68.0	66.5	69.6	71.5	71.9	4.6
Non-Canadian services:													
- Conventional	17.8	17.4	16.6	16.2	13.5	14.2	13.2	12.4	12.2	10.9	10.9	9.9	(7.9)
- PBS	2.8	2.5	2.3	2.4	2.3	1.8	1.7	1.9	1.8	1.4	1.3	1.3	(1.5)
- Pay & specialty	5.5	6.5	5.9	6.8	7.4	9.4	10.2	11.5	13.4	11.9	10.5	10.5	5.0
Total non-Cdn. services	26.1	26.5	24.8	25.4	23.2	25.5	25.1	25.8	27.4	24.2	22.7	21.7	(4.4)
Other	0.9	1.0	1.0	1.3	2.8	2.5	2.3	1.1	1.2	1.2	1.1	0.9	0.0
VCR/DVD/PVR/VOD	5.7	5.9	6.1	6.3	6.0	5.8	5.8	5.1	4.7	5.1	4.8	5.5	(0.2)
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	
Total hours (000)	448,541	471,494	488,749	486,246	488,769	503,072	478,576	471,198	472,640	486,011	492,453	493,496	44,955

* BBM Fall 2001 sample was conducted during the promotional viewing period.

** Includes viewing to House of Commons (CPAC), provincial legislatures, cable community channel, other educational and religious services.

*** Includes viewing to digital services.

- In Fall 1997, results for the CFMT (OMNI 1) station, were moved from private conventional English-language to private conventional other-languages.

Source: BBM Fall 1993-2004

- The total viewing share of Canadian English-language television services in all provinces excluding Quebec has increased by four percentage points compared to 1993. The viewing of all Canadian services increased by 4.6 percentage points while viewing to non-Canadian services decreased by 4.4 percentage points over the same period.

- Total viewing share of Canadian English-language television services remained unchanged from Fall 2003 to Fall 2004. The viewing share of Canadian English-language pay and specialty services, including digital, increased only marginally over the same period. BBM¹ reports a total viewing share of 24.3% in Fall 2004 – an increase of only 0.1 percentage points over the previous year. Nielsen² data reports that the share of Canadian English pay and specialty services in all regions excluding Québec averaged 33.1% over the period of 25 October to 21 November 2004 – an increase of 1.4 percentage points compared to Fall 2003.
- The total viewing share of Canadian third-language television services has increased steadily since 2001, achieving a 2.1 viewing share in Fall 2004.

**Table 3.3: Fall 1993 to Fall 2004 for all persons 2+
Monday to Sunday, 6 a.m. to 2 a.m.
Province of Quebec**

	Viewing share % – Fall												Inc./Dec. 93 to 04
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Canadian services:													
<i>French language</i>													
- Private conventional	47.6	47.7	44.9	44.7	46.1	44.9	45.0	46.1	44.0	45.4	45.8	41.9	(5.7)
- SRC & affiliates	22.8	20.4	22.7	21.6	19.8	21.1	20.0	17.5	17.8	14.9	11.7	16.6	(6.1)
- Pay & specialty	5.6	5.6	8.4	10.0	10.4	10.5	11.2	13.5	15.7	17.5	17.9	16.8	11.2
- Digital specialty												0.2	0.2
- Télé-Québec	2.6	3.3	2.4	1.5	1.1	1.3	2.0	2.0	2.2	2.5	2.6	2.6	(0.1)
Total French	78.6	77.0	78.4	77.7	77.4	77.8	78.2	79.1	79.7	80.2	78.0	78.1	(0.5)
<i>English language</i>													
- Private conventional	6.4	6.4	6.0	6.2	6.5	6.3	6.0	5.9	5.3	5.2	6.0	6.0	(0.3)
- CBC & affiliates	2.1	2.3	2.1	2.1	1.9	1.6	1.2	1.3	1.1	1.1	1.5	1.3	(0.8)
- Pay & specialty	0.9	0.9	1.3	1.4	2.1	2.0	2.3	2.6	2.7	3.0	3.1	3.2	2.4
- Digital specialty *									0.4	0.3	0.4	0.4	0.4
- Other **	0.3	0.4	0.3	0.5	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.1
Total English	9.7	9.9	9.7	10.1	10.7	10.2	9.8	10.1	9.9	10.0	11.4	11.4	1.7
<i>Other languages</i>													
- Private conventional	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.3	0.5	0.4	0.4	0.4
- Pay & specialty***	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total other languages	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.5	0.7	0.6	0.6	0.6
Total Cdn. services	88.3	87.0	88.1	87.9	88.3	88.2	88.2	89.5	90.1	91.0	90.0	90.1	1.8
Non-Canadian services													
- Conventional	6.2	6.7	5.7	5.6	4.7	4.5	4.6	4.4	3.7	3.1	3.3	3.0	(3.3)
- PBS	1.1	1.2	0.9	0.9	0.7	0.7	0.6	0.7	0.5	0.4	0.4	0.4	(0.7)
- Pay & specialty	0.2	0.2	0.6	0.6	0.9	1.0	1.1	1.4	1.9	1.6	1.7	1.8	1.6
Total non-Cdn. services	7.5	8.1	7.3	7.0	6.2	6.2	6.3	6.5	6.1	5.1	5.4	5.1	(2.4)
Other	0.6	0.7	0.7	0.8	1.3	1.4	1.7	0.9	0.9	0.8	0.9	1.0	0.4
VCR/DVD/PVR/VOD	3.6	4.3	4.0	4.4	4.2	4.2	3.8	3.2	2.9	3.1	3.6	3.8	0.2
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	
Total Hours (000)	174,533	187,524	190,479	190,299	189,195	188,637	181,056	173,099	170,205	173,355	174,980	173,008	(1,525)

¹ BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.

² Nielsen: 24 hour broadcast day – 6 a.m. to 6 a.m.

* BBM Fall 2001 sample was conducted during the promotional viewing period.

** Includes viewing to House of Commons (CPAC), provincial legislatures, cable community channel, educational and religious services.

*** Includes viewing to digital services.

- In Fall 1997, results for the CFMT (OMNI 1) station, were moved from private conventional English-Language to private conventional other-languages.

Source: BBM Fall 1993-2004

- The total viewing share of Canadian French-language television services in Quebec has remained relatively constant since 1993.
- BBM³ reports that viewing of Canadian French-language pay and specialty services, including digital, decreased by almost one percentage point in Fall 2004 in the province of Quebec.
- Although the total viewing share of Canadian television services remained relatively unchanged from Fall 2003 to Fall 2004, viewing to SRC's conventional television services increased by 4.9 percentage points compared to a 3.9 decline in viewing share experienced by private Canadian French-language conventional television services.
- Nielsen⁴ data reports that the share of Canadian French-language pay and specialty services in the province of Quebec averaged 24.9% over the period of 25 October to 21 November 2004 – a decrease from last year's 25.4%.

5. Viewing share by ownership group

- In *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999 (the Television Policy), the Commission established that the renewal of all the conventional television licences held or controlled by a group will generally be considered by the Commission at the same time.
- This approach gives the Commission the opportunity to make a strategic assessment of the contribution of all aspects of a licensee's operations to the Canadian broadcasting system.
- Table 3.4 sets out the combined viewing share of conventional, pay and specialty services controlled by the conventional English- and French-language television ownership groups (Quebecor Media, Cogeco, Bell Globemedia, CanWest Media, CHUM, Craig Media and Vidéotron) as well as the combined viewing share of pay and specialty services controlled by the largest ownership groups of pay and specialty services (Astral, Corus and Alliance Atlantis). This table reflects only those specialty services in which these groups have a 50% or greater ownership interest.
- The table shows that, on a combined basis, private conventional television ownership groups have been able to maintain or increase their overall viewing share through acquisition and new specialty services.

³ BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.

⁴ Nielsen: 24 hour broadcast day - 6 a.m. to 6 a.m.

Table 3.4: Combined viewing share of conventional and specialty services controlled⁽¹⁾, 50% or greater, by conventional English- and French-language TV ownership groups and by the largest ownership groups of pay and specialty services

Ownership groups (owned & operated)	BBM fall – all persons 2+, 6 a.m. to 2 a.m.													
	All regions (excl. Quebec)							Province of Quebec						
	98	99	00	01*	02	03	04	98	99	00	01	02	03	04
Alliance Atlantis														
- Conventional														
- Pay & specialty	1.6	1.6	2.3	2.6	3.6	2.9	4.0	0.2	0.2	1.5	1.4	0.9	2.5	2.5
Total	1.6	1.6	2.3	2.6	3.6	2.9	4.0	0.2	0.2	1.5	1.4	0.9	2.5	2.5
Astral Media														
- Conventional														
- Pay & specialty	0.9	1.5	1.7	1.8	2.2	2.1	2.1	4.7	4.8	6.9	7.7	8.9	9.7	9.6
Total	0.9	1.5	1.7	1.8	2.2	2.1	2.1	4.7	4.8	6.9	7.7	8.9	9.7	9.6
Bell Globemedia⁽³⁾														
- Conventional	14.3	15.0	14.2	14.2	14.9	15.2	16.4	0.6	1.0	0.9	3.6	3.5	4.1	4.3
- Pay & specialty	0.6	0.6	4.0	4.2	4.3	4.2	3.8			2.2	2.3	3.8	3.8	2.4
Total	14.9	15.6	18.2	18.4	19.2	19.4	20.2	0.6	1.0	3.1	5.9	7.3	7.9	6.7
CanWest Media														
- Conventional	8.1	7.4	13.5	13.3	13.3	12.8	11.7	1.8	1.5	1.6	1.8	1.9	1.9	1.7
- Pay & specialty	0.5	0.8	1.1	1.7	1.5	1.4	1.2	-	-	-	0.1	0.2	0.2	0.1
Total	8.6	8.2	14.6	15.0	14.8	14.2	12.9	1.8	1.5	1.6	1.9	2.1	2.1	1.8
CBC / SRC														
<i>English-language services</i>														
- Conventional	7.2	6.0	6.1	5.7	5.8	6.1	5.5	1.6	1.2	1.3	1.1	1.1	1.5	1.3
- Pay & specialty	0.9	0.7	1.0	1.0	0.9	1.0	1.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Total	8.1	6.7	7.1	6.7	6.7	7.1	6.4	1.7	1.3	1.4	1.3	1.3	1.7	1.4
<i>French-language services</i>														
- Conventional	0.6	0.6	0.5	0.5	0.4	0.3	0.4	15.7	15.2	13.6	14.3	12.0	9.4	13.6
- Pay & specialty	0.0	0.1	0.1	0.1	0.1	0.1	0.1	1.5	1.2	1.2	2.7	1.9	1.8	2.2
Total	0.6	0.7	0.6	0.6	0.5	0.4	0.5	17.2	16.4	14.8	17.0	13.9	11.2	15.7
Total CBC / SRC	8.7	7.4	7.7	7.3	7.2	7.4	6.9	18.9	17.7	16.2	18.3	15.2	12.9	17.2
CHUM⁽⁸⁾														
- Conventional	4.2	4.3	4.4	4.5	4.9	5.2	4.9	0.2	0.1	0.1	0.1	0.2	0.2	0.2
- Pay & specialty	1.8	1.7	2.3	2.5	2.7	3.4	2.7	0.7	0.7	0.9	0.7	0.9	0.9	1.0
Total	6.0	6.0	6.7	7.0	7.6	8.6	7.6	0.9	0.8	1.0	0.8	1.1	1.1	1.2
Cogeco^{(6) (7)}														
- Conventional	-	-	-	-	-	0.1	0.1	5.9	5.8	5.4	4.8	14.4	16.0	13.3
- Pay & specialty														
Total	-	-	-	-	-	0.1	0.1	5.9	5.8	5.4	4.8	14.4	16.0	13.3
Corus														
- Conventional			0.4	0.3	0.3	0.4	0.3			0.6	-	-	-	-
- Pay & specialty	2.5	3.0	3.3	3.9	4.5	5.1	5.0	0.4	0.5	0.4	0.5	0.4	0.5	0.8
Total	2.5	3.0	3.7	4.2	4.8	5.5	5.4	0.4	0.5	1.0	0.5	0.4	0.5	0.8
Craig Media^{(4) (8)}														
- Conventional	1.3	1.5	1.4	1.1	1.0	1.2	1.3	-	-	-	-	-	-	0.1
- Pay & specialty				0.2	0.1	0.1	0.1							-
Total	1.3	1.5	1.4	1.3	1.1	1.3	1.4	-	-	-	-	-	-	0.1

Table 3.4 (continued)

Ownership groups (owned & operated)	All regions (excl. Quebec)							Province of Quebec						
	98	99	00	01*	02	03	04	98	99	00	01	02	03	04
Quebecor Media^{(5) (7) (8)}														
- Conventional	-	-	0.1	0.1	-	-	-	6.6	8.1	9.5	9.3	29.8	28.0	27.3
- Pay & specialty				0.1	0.1	0.1	0.2				-	0.9	0.7	1.0
Total	0.0	0.0	0.1	0.2	0.1	0.1	0.2	6.6	8.1	9.5	9.3	30.7	28.7	28.2
Vidéotron⁽⁷⁾														
- Conventional	0.1	0.1	0.1					32.5	31.2	30.4	29.0			
- Pay & specialty								0.3	0.5	0.6	0.6			
Total	0.1	0.1	0.1					32.8	31.7	31.0	29.6			
Total - Ownership Groups														
- Conventional	35.8	34.9	40.7	39.7	40.6	41.3	40.7	64.9	64.1	63.4	64.0	62.9	61.1	61.6
- Pay & specialty	8.8	10.0	15.7	18.2	20.0	20.3	20.1	8.0	8.0	13.7	16.2	18.2	20.3	19.9
Total	44.6	44.9	56.4	57.9	60.6	61.6	60.8	72.9	72.1	77.1	80.2	81.1	81.4	81.5

Sources: BBM Fall 1998 to 2004 surveys; Economic Analysis and Research Broadcasting Directorate, CRTC; CRTC Acquisitions and Ownership Policy Section and Licensees.

* BBM sample was conducted during the introductory promotional viewing period for digital specialty services.

- (1) Based on percentage of direct and indirect voting interest held on 31 August 2004.
- (2) Minor variances are due to rounding.
- (3) BCE Inc. holds a 68.5% voting interest in Bell Globemedia Inc (BGM); CTV acquired NetStar 24 March 2000 and therefore acquired controlling interest in TSN, RDS and Discovery specialty channels; BCE Inc. acquired controlling interest in CTV on 7 December 2000; BGM acquired control of ROBTv in October 2001; BGM sold its interest in Canal Évasion in January 2003.
- (4) On 31 August 2004, Manalta Investment Company Ltd. (Craig Family) held 80.1% of the voting interest of Craig Media Inc (see note 8).
- (5) Quebecor inc. directly and indirectly owns and controls 54.72% of the voting interest of Quebecor Media Inc. Quebecor Media Inc. holds 99.91% voting interest in TVA Group Inc.
- (6) Cogeco inc. holds, through subsidiaries, 60% of the voting interest of TQS inc. The remaining 40% is owned by CTV Television Inc, which BCE controls (see note 3).
- (7) TVA conventional television stations and LCN were controlled by Vidéotron from 1987 to 2001. Quebecor acquired controlling interest of these services in 2002. TQS inc. conventional stations were controlled by Quebecor from 1997 to 2001. Cogeco acquired controlling interest in 2002.
- (8) CHUM Limited acquired effective control of Craig Media Inc. in November 2004 (*Transfer of effective control of Craig Media Inc. to CHUM Limited; and Acquisition of assets – reorganization of Toronto One*, Broadcasting Decision CRTC 2004-502, 19 November 2004 (Decision 2004-502)). In *Transfer of effective control of Toronto One to TVA Group Inc. and Sun Media Corporation*, Broadcasting Decision CRTC 2004-503, 19 November 2004 (Decision 2004-503), the Commission also approved the transfer of effective control of Toronto One to Quebecor Media Inc. The stations will be reported with CHUM and Quebecor Media commencing in 2005.

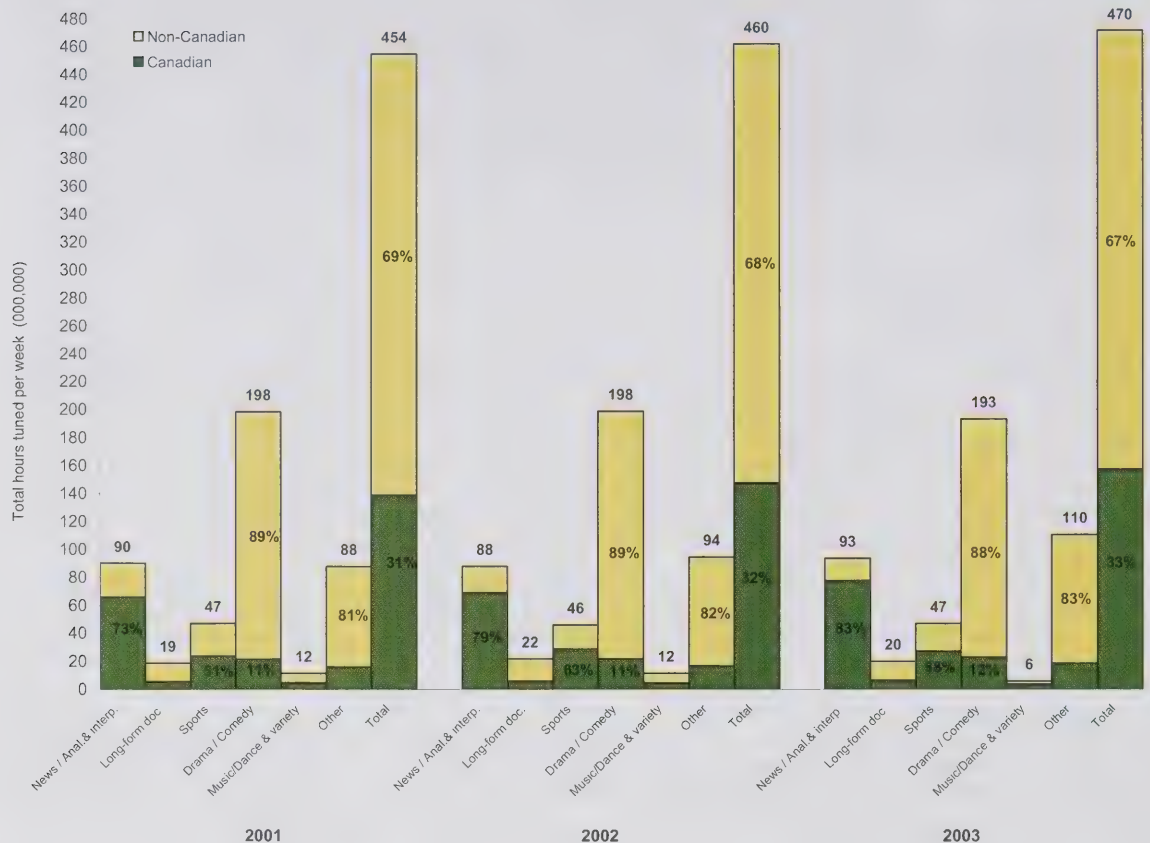
6. Distribution of viewing by program genre⁵

a) BBM Fall 2001 to 2003 diary data

- The following charts reveal the trends in viewing to all Canadian and non-Canadian English- and French-language television services available in Canada. These charts provide the average number of weekly viewing hours to Canadian and non-Canadian programming by program genre during the Fall 2001 to 2003 periods. This information is derived from BBM and CRTC research data for a 4-week period in the Fall of each year.

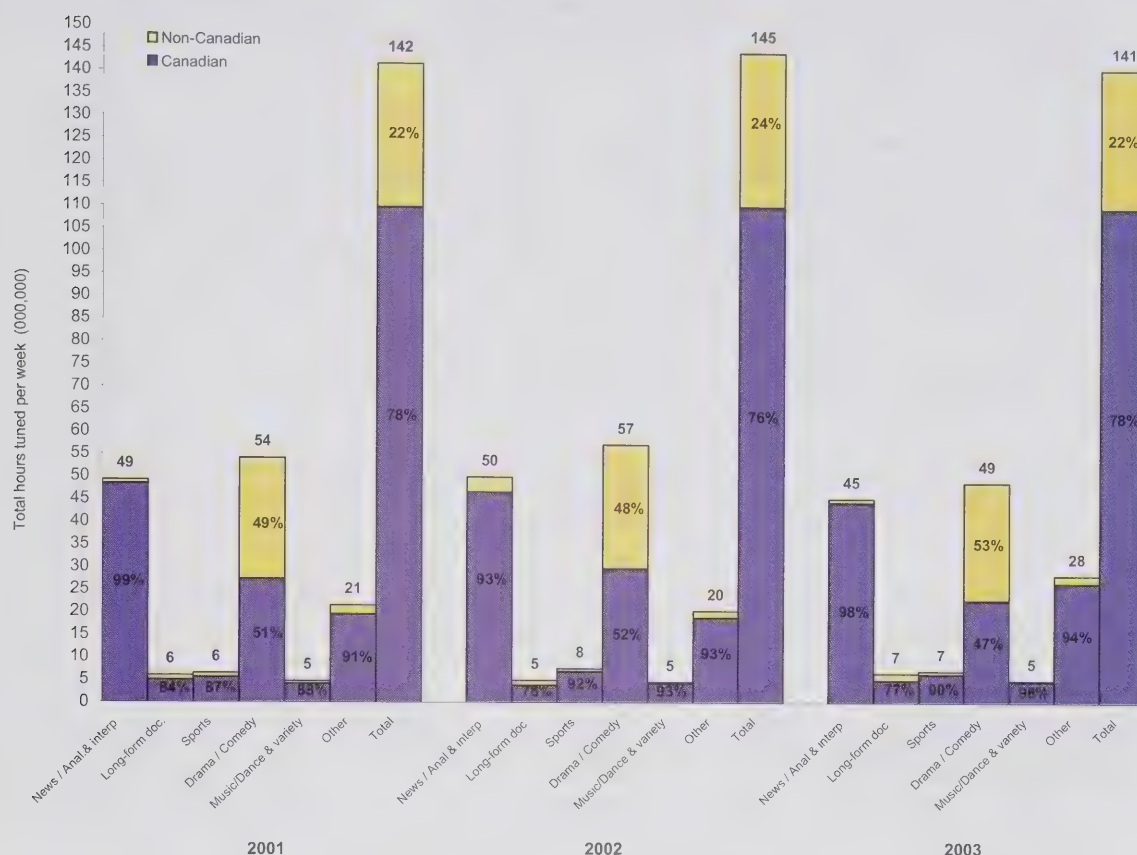
⁵ Program genre or type is based on the definitions set out in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat 11) programs.

Chart 3.3: Viewing by program origin and genre – all English-language services (Canadian & non-Canadian) – BBM fall 2001 to 2003 diary data, persons 2+, 6 a.m. – 2 a.m. – average weekly hours (000,000)



- The chart reveals the continued popularity of drama/comedy programming broadcast by English services.
- The viewing of Canadian programs on English services differs significantly between genres. Viewing of news and analysis & interpretation programming is predominantly of Canadian programs. In contrast, viewing of drama/comedy programming is predominantly to non-Canadian programs. The overall viewing of Canadian programs on English services remains unchanged at approximately one-third of total viewing.
- Viewing of other programming has increased 25% since Fall 2001. This is the result of increased viewing of general entertainment and human interest programming, reflecting the popularity of reality style programs.

Chart 3.4: Viewing by program origin and genre – all Canada – all French-language services (Canadian & non-Canadian) – BBM fall 2001 to 2003 diary data, persons 2+, 6 a.m. – 2 a.m. – average weekly hours (000,000)



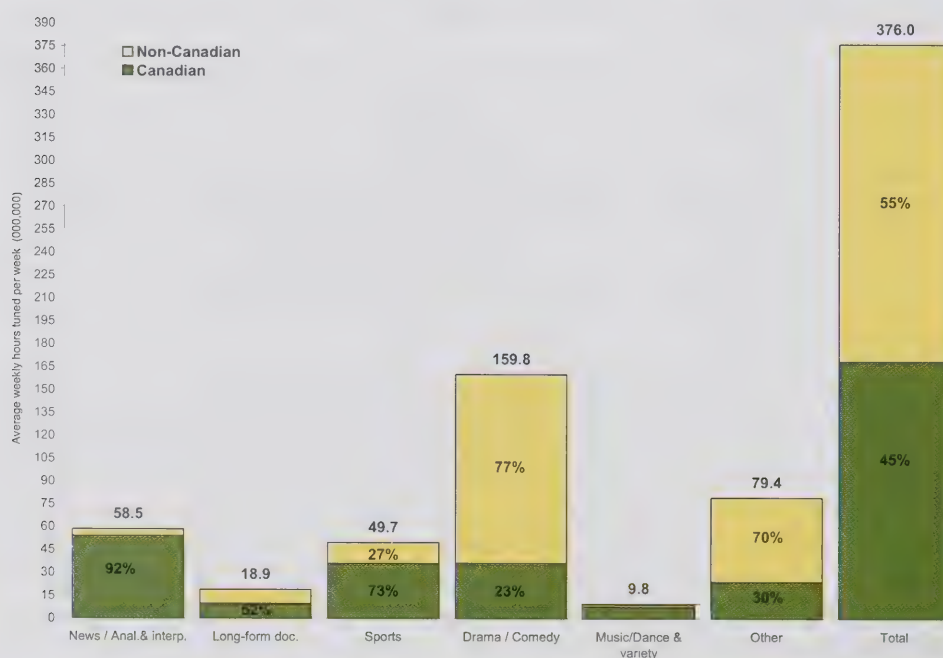
- Drama/comedy programming is the most popular genre on French-language services, with news and analysis & interpretation programming a close second.
- For French services, viewing is predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing is evenly split between Canadian and non-Canadian programs.

b) BBM metered data September 1, 2003 to August 29, 2004

- The move towards increased use of metered television audience measures in this and future monitoring reports is consistent with an increased emphasis on the results of television metered audience data by the industry.
- The availability of metered data that captures country of origin and program genre is the result of a project undertaken by the Canadian Television Fund (CTF) in conjunction with the CRTC, Telefilm, Mediastats and other government departments. The goal of this project was to refine a methodology that would add this information to programs captured by both the BBM Canada and Nielsen Media Research metered databases. These two additional data fields are available for programs broadcast beginning 1 September 2003. For many years, the Commission has augmented the BBM fall diary results by adding the country of origin and program genre to the programs captured.

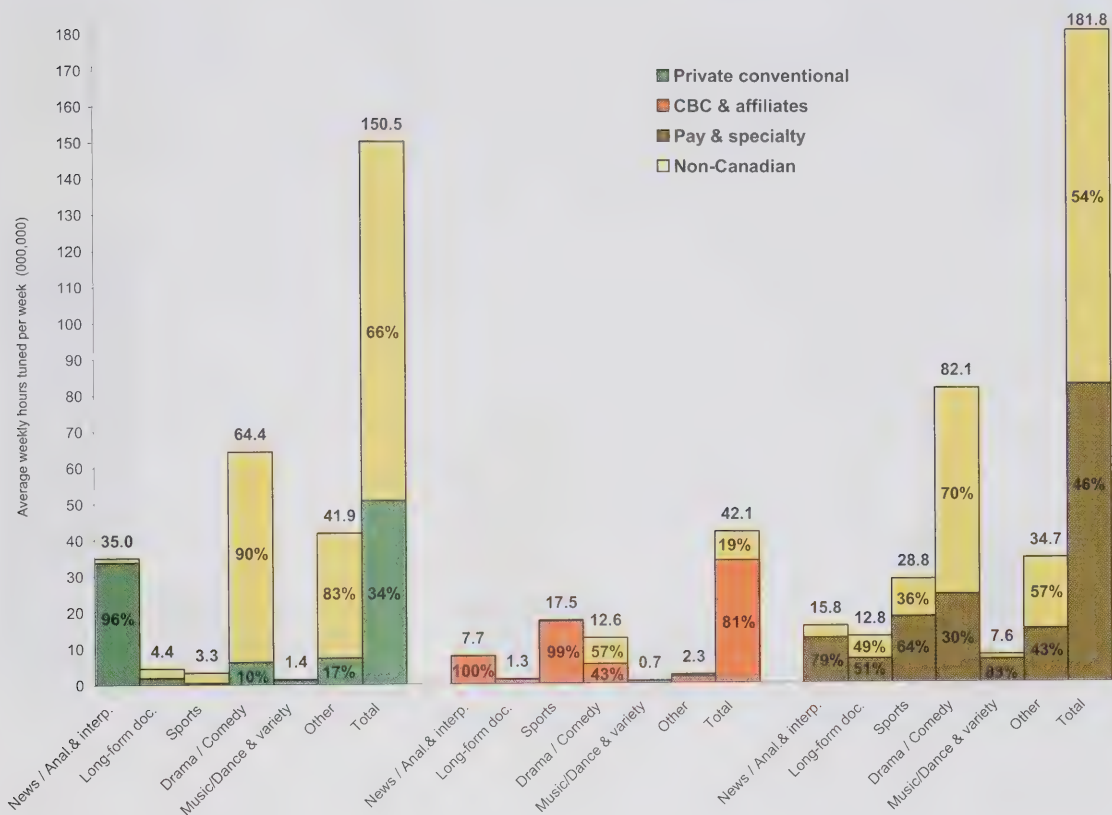
- Charts 3.5 to 3.8 below provide information on viewing of English- and French-language Canadian television services by program genre using BBM metered audience data for the period September 1, 2003 to August 29, 2004. Whereas, the data provided in charts 3.3 and 3.4 is based on BBM Fall 2001 to 2003 diary data and viewing trends to both Canadian and non-Canadian programming services available in Canada.
- The charts indicate the relative popularity of each genre as well as the viewing of Canadian versus non-Canadian programming offered by Canadian services. Charts 3.5 and 3.7 provide overall viewing trends for all English- and French-language Canadian services. Charts 3.6 and 3.8 provide a further breakdown of the viewing trends between Canadian private conventional services, CBC/SRC conventional services and Canadian pay and specialty services.
- The following methodological differences when comparing the results of diary-based data and meter-based data should be noted:
 - Diary surveys reflect average weekly viewing trends measured over a 4 week period in the Fall of each year while meter data measure audiences 52 weeks a year.
 - Diary surveys record viewing in 15-minute blocks while meters report average minute audiences.
 - Diary samples are larger than metered samples and are more geographically representative.

Chart 3.5: Viewing of Canadian and non-Canadian programs distributed by English-language Canadian television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



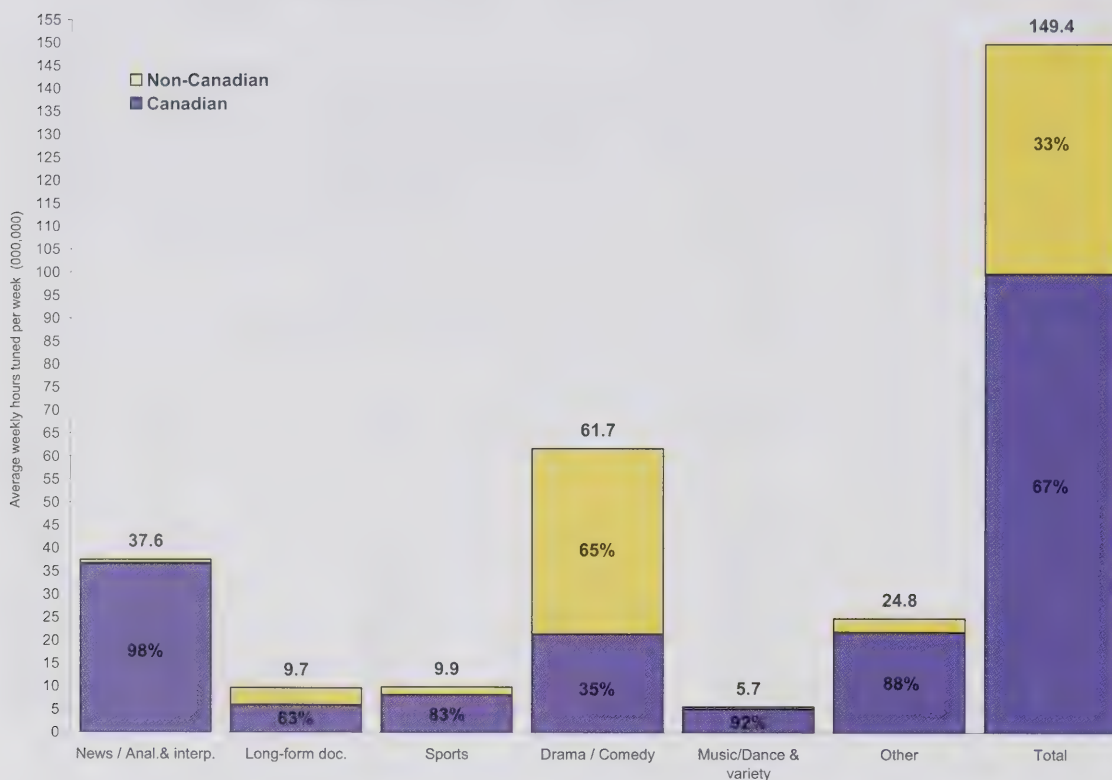
Based on Canadian services with available program level data that incorporates country of origin and program genre.

Chart 3.6: Viewing of Canadian and non-Canadian programs distributed by Canadian English-language private conventional, CBC and pay & specialty television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



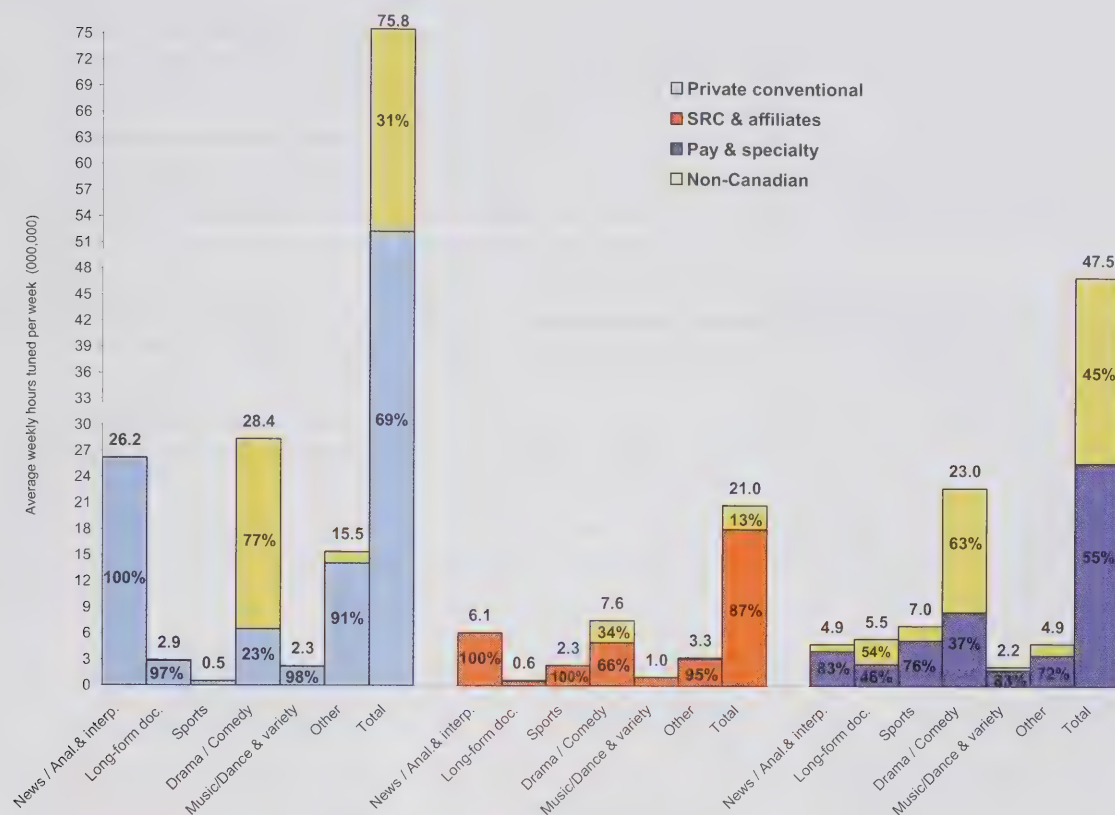
Based on Canadian services with available program level data that incorporates country of origin and program genre.

Chart 3.7: Viewing of Canadian and non-Canadian programs distributed by French-language Canadian television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.

Chart 3.8: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language private conventional, SRC and pay & specialty television services by program origin and genre – BBM metered data – 2003/04 broadcast year (1 Sep./ 03 to 29 Aug. /04) – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.

B. Canadian priority programming

- In the Television Policy, the Commission indicated that one of its goals in developing the policy is to “ensure quality Canadian programs at times when Canadians are watching.”
- The Television Policy states that the Commission wishes to ensure the availability of a sufficient number of hours of diverse programming to attract audiences to Canadian programming especially during peak viewing periods (7 p.m. to 11 p.m.).
- In the Television Policy, “under-represented” Canadian programming (drama, music and dance, and variety programs) was redefined as “priority programming” and expanded to include long-form documentaries, regionally-produced programs and entertainment magazine programs.
- The Television Policy also requires that the largest multi-station ownership groups offer as a minimum, in each broadcast year, an average of 8 hours per week of Canadian

priority programming during the 7 p.m. to 11 p.m. peak viewing period. This requirement is in addition to any benefit commitments made by these broadcasters in connection with transfers of ownership or control. Currently, CTV, Global, CHUM⁶ and TVA meet the Commission's definition of largest multi-station ownership groups.

- The 150% dramatic time credit that previously could be applied against regulated Canadian content requirements was also discontinued for the largest multi-station ownership groups. In its place, the Commission introduced a 150% priority programming time credit for Canadian drama programs that receive the full 10 Canadian key creative points and a 125% time credit for Canadian drama programs that receive between 6 and 9 points. The broadcasters can apply these time credits against their minimum 8-hour per week priority programming requirement.⁷
- The majority of the television stations controlled by CTV and Global were renewed in 2001.⁸ TVA's network television licence and its mother station CFTM-TV Montréal were also renewed in 2001.⁹ TVA's five regional stations were renewed in 2004.¹⁰ In its renewal decisions, the Commission indicated that it would be monitoring and evaluating Canadian priority programming scheduling practices and related audience levels, in order to test whether the goals of the Television Policy were being achieved.
- The 2001 renewal decisions for TVA and CTV also outlined significant transfer benefits related to priority programming that the groups were required to fulfill during their next licence term:
 - In *Transfer of effective control of CTV Inc. to BCE Inc.*, Decision CRTC 2000-747, 7 December 2000, the Commission required the licensee to broadcast a minimum of 175 hours of original Canadian priority programming over the licence term (in addition to the base level of eight hours per week), and a minimum total incremental expenditure of \$140 million over the licence term on the benefits-related priority programming.
 - In *Transfer of effective control of TVA to Québecor Média inc.*, Decision CRTC 2001-384, 5 July 2001, the Commission required the licensee to expend a minimum of \$39.8 million of the benefits on priority programming, incremental to a base level of priority programming expenditures as outlined in the decision.
- The priority programming benefits for both TVA and CTV commenced in the 2001/2002 broadcast year.

⁶ The Commission approved the transfer of effective control of Craig's conventional television stations to CHUM on 19 November 2004. As a result, CHUM is now considered to be a large multi-station ownership group (Decision 2004-502).

⁷ Definitions for new types of priority programs; revisions to the definitions of television content categories; definitions of Canadian dramatic programs that will qualify for time credits towards priority programming requirements, Public Notice CRTC 1999-205, 23 December 1999.

⁸ Licence renewals for the television stations controlled by CTV, Decision CRTC 2001-457, 2 August 2001; Licence renewals for the television stations controlled by Global, Decision CRTC 2001-458, 2 August 2001.

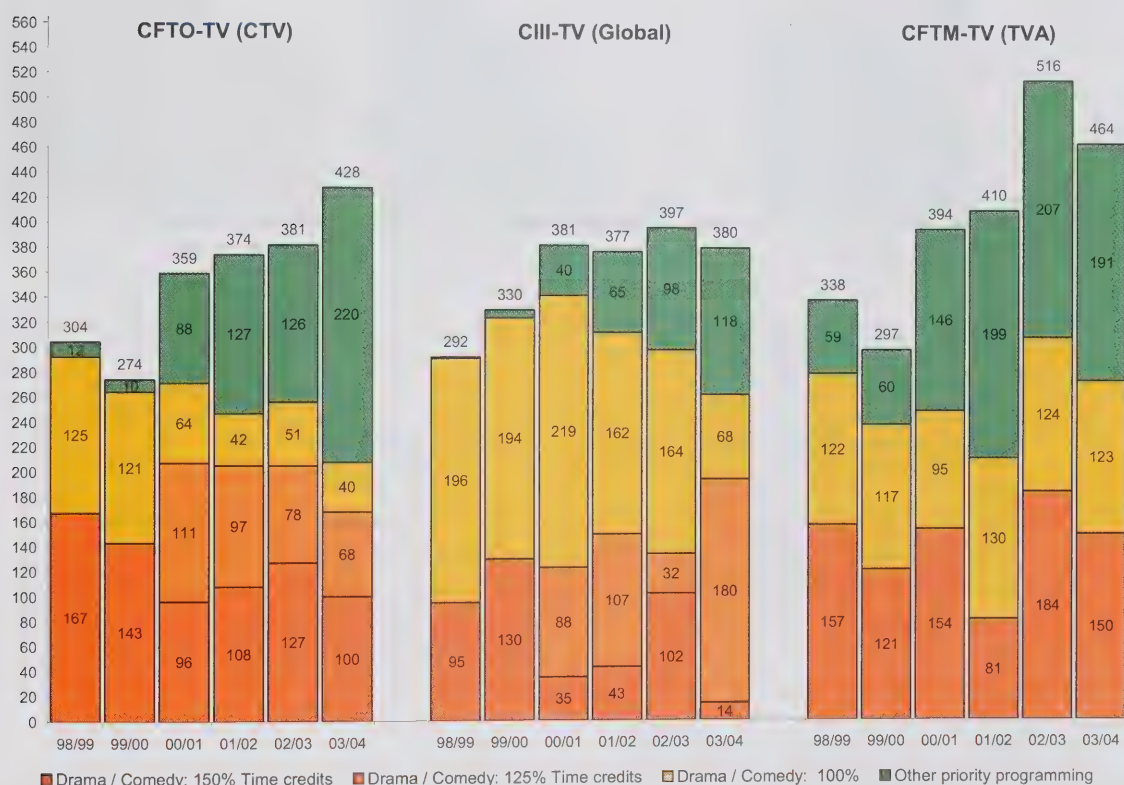
⁹ Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001.

¹⁰ CFCM-TV Québec, CHEM-TV Trois-Rivières, CHLT-TV Sherbrooke, CFER-TV Rimouski and its transmitter CFER-TV-2 Gaspé-Nord, CJPM-TV Saguenay and its transmitter CJPM-TV-1 Chambord – Licence renewals, Broadcasting Decision CRTC 2004-530, 3 December 2004.

1. Scheduling of Canadian priority programs

- The following chart sets out the total number of hours of Canadian priority programming scheduled during the 1998/99 to 2003/04 broadcast years for the following stations:
 - CFTO-TV (CTV) Toronto
 - CIII-TV (Global) Toronto
 - CFTM-TV (TVA) Montréal
- Results for the last three broadcast years (2000/01 to 2003/04) are based on the revised definitions of priority programming that came into effect on 1 September 2000. The number of hours that qualify for the old and new 150% and the new 125% drama/comedy time credits are also highlighted in this chart.

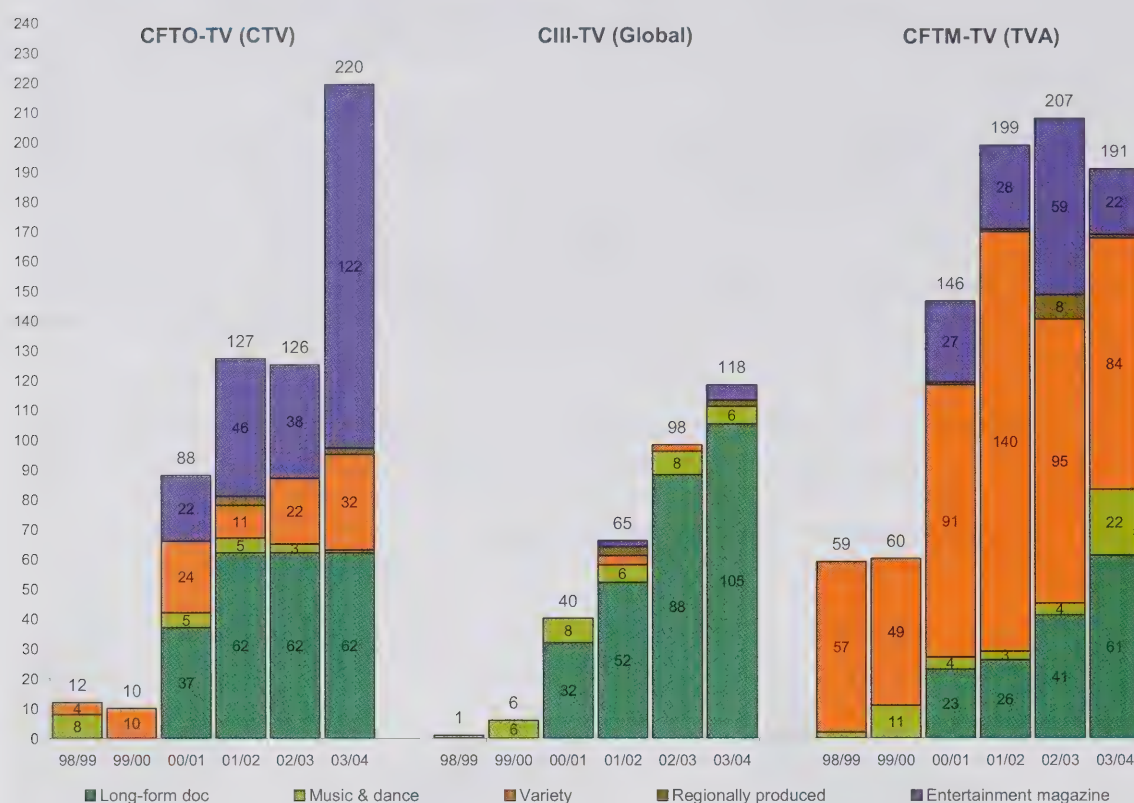
Chart 3.9: Number of hours of drama/comedy and other Canadian priority programming scheduled annually – 7 p.m. to 11 p.m.



Notes: Reflects hours broadcast. Results for the 00/01 to 03/04 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.
Source: CRTC Logs (February 2005)

- The following chart sets out the total number of hours of Canadian priority programming, other than drama/comedy, scheduled in the 1998/99 to 2003/04 broadcast years for CFTO-TV (CTV) Toronto, CIII-TV (Global) Toronto and CFTM-TV (TVA) Montréal.

Chart 3.10: Number of hours of non-drama/comedy Canadian priority programming scheduled annually – 7 p.m. to 11 p.m.



Notes: Reflects hours broadcast. Results for the 00/01 to 03/04 broadcast years are based on the revised definitions of priority programming that came into effect on 1 September 2000.

Source: CRTC Logs (February 2005)

2. Incentives for original Canadian television drama¹¹

- In *Incentives for French-language Canadian television drama*, Broadcasting Public Notice CRTC 2005-8, 27 January 2005, the Commission set out a program of incentives that is designed to maintain a proper balance of original Canadian French-language drama, including a minimum number of high-cost programs or series, broadcast by French-language television licensees during the peak viewing period (7 p.m. to 11 p.m.).
- In *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004 (Public Notice 2004-93), the Commission set out its program of incentives designed to increase the production and the broadcast of, the viewing to, and the expenditures on, high-quality, original Canadian English-language drama programming.
- Each licensee participating in the incentive program will file an annual report detailing the use of the incentives. The first reports detailing the 2004-05 broadcast year results will be filed with the Commission by 30 November 2005.

¹¹ Drama and comedy programming

a) Incentives to increase viewing to Canadian English-language drama

- In Public Notice 2004-93 the Commission set out incentives designed to increase the viewing to English-language Canadian drama. Additional advertising minutes will be awarded where, over a broadcast year, a multi-station ownership group attains an increase over the previous broadcast year, in the ratio of total viewing to all Canadian drama. This ratio is to be expressed as a percentage of the total viewing to drama programming on all conventional television stations and/or specialty services within the multi-station ownership group that meets or exceeds the targets set by the Commission. The Commission indicated that a public notice will be issued in the 2004/05 broadcast year, setting out its proposed industry viewing objective along with the preliminary viewing targets for those ownership groups participating in the incentive program. The increases will be measured using metered data over the entire broadcast year.¹²
- The following tables provide viewing results for drama/comedy¹³ programming for the largest conventional groups in Canada.

Table 3.5: Viewing to drama/comedy by ownership group in the Toronto, Vancouver and Calgary markets
Canadian English-language conventional stations
All persons 2+, 6 a. m. to 6 a. m.
1 September 2003 to 29 August 2004 (52 weeks)
Nielsen metered data

Percentage of average weekly viewing hours (%)		
Ownership group* / Stations	Canadian	Non-Canadian
Toronto / Vancouver / Calgary Markets		
Global CIII-TV & CHCH-TV / CHAN-TV & CHEK-TV / CICT-TV	8.4	91.6
CBC CBLT-TV / CBUT-TV / CBRT-TV	39.6	60.4
CTV CFTO-TV / CIVT-TV & CFCN-TV	10.5	89.5
Toronto / Vancouver markets		
CHUM CITY-TV / CKVU-TV & CIVI-TV	9.1	90.9

Note: Excludes viewing to drama programs where the country of origin was not identified – less than 1% of total hours.

* Owned and operated conventional television stations

¹² The Commission is currently working with the Canadian Television Fund (CTF), Telefilm, Mediastats and interested government departments to refine a methodology that will facilitate the addition of country of origin and program genre for each program captured by both the BBM Canada and Nielsen Media Research metered databases. These two additional data fields will be available for programs broadcast beginning 1 September 2003.

¹³ Category 7a to 7g, Drama and Comedy programming as defined in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*.

b) Incentives to increase expenditures on Canadian English-language drama

- The objective of this incentive is to increase, over a five-year period, the spending on English-language Canadian drama by the English-language conventional television industry to 6% of total revenues.
- In Public Notice 2004-93, the Commission noted that where the conventional television stations in a multi-station ownership group attain an aggregate increase over the broadcast year in expenditures on Canadian drama as a percentage of revenues, where the increase meets or exceeds the target set by the Commission, each licensee of a station in that ownership group will be permitted to broadcast an additional 25% of the total advertising permitted pursuant to the incentive program.
- Excluded from these calculations are expenditures on drama programs relating to commitments made at the time of licensing, ownership transfer benefits, or CTF "top-up" funding.
- The Commission indicated that it would review and make public the financial results for the 2003/04 broadcast year for each of the ownership groups participating in the drama incentive program before setting the incentive targets for each group for the broadcast years 2004/05 to 2009/10. The following table provides the Canadian drama expenditure results for the 2003/04 broadcast year for the private English-language conventional industry and the largest individual ownership groups.

Table 3.6: 2004 Expenditures on Canadian English-language drama by the private English-language conventional industry and largest conventional television ownership groups

(\$ 000)	Expenditures on Canadian Drama *	% of Total Revenue
Private English-language conventional television	53,204	3.3%
CTV	24,117	3.5%
Global	21,041	3.4%
CHUM **	6,245	3.3%

Notes: Excludes private, commercial ethnic stations.

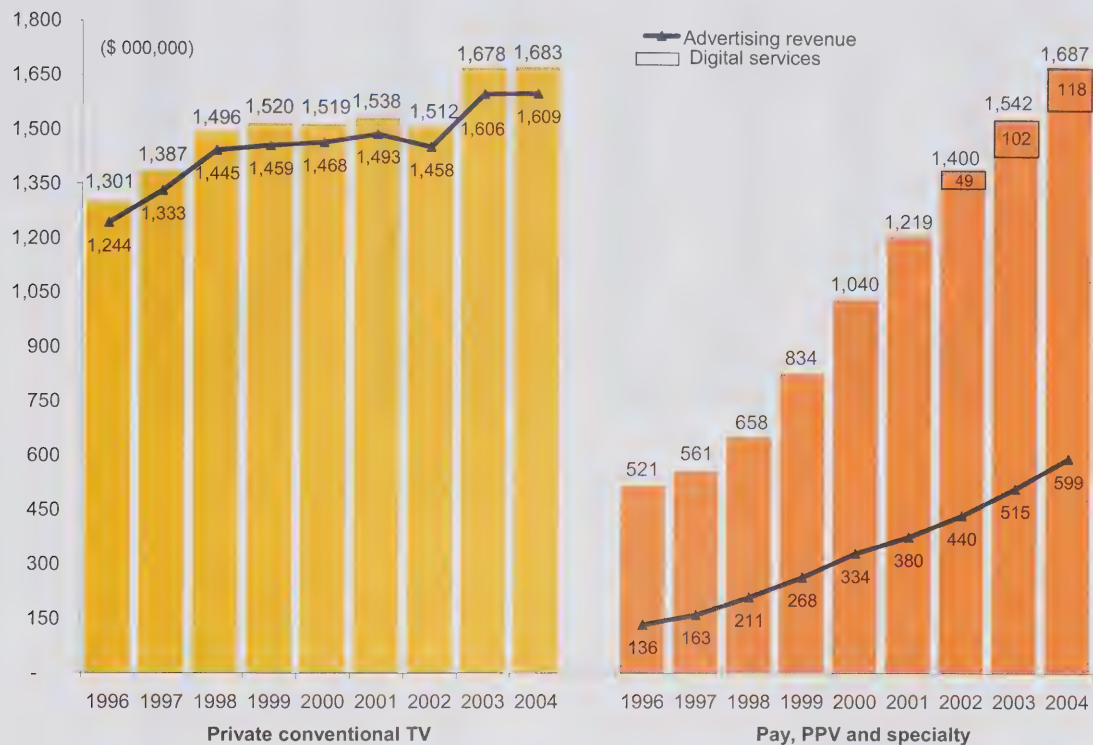
* Excludes expenditures on drama programs relating to commitments made at the time of licensing, ownership transfer benefits, or CTF "top-up" funding.

** Excludes stations acquired from Craig Media Inc. pursuant to Decision 2004-502.

C. Financial performance

1. English-language private services

Chart 3.11: Revenues of English-language private conventional television and pay, PPV & specialty services

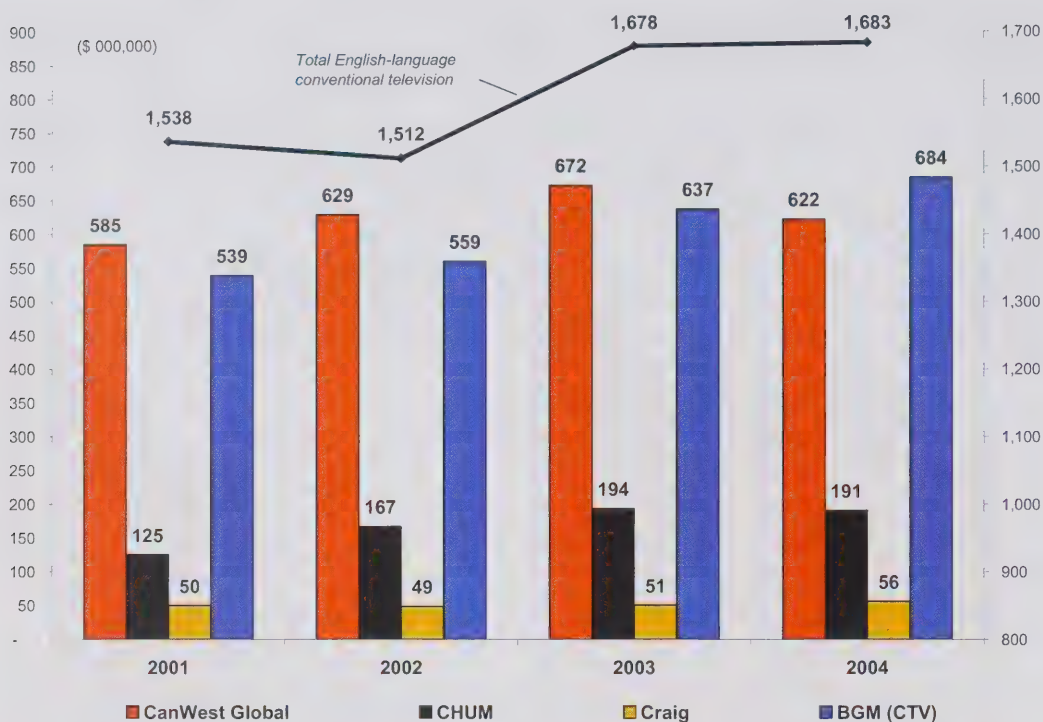


Note: Includes ethnic & bilingual services / 2003 Pay, PPV and specialty revenues have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

- The 8% revenue increase in 1998 for private conventional television was due to five new stations.
- Pay, PPV and specialty revenues continue to increase steadily. The number of English-language services more than doubled from 1996 to 2002, increasing from 22 to 46 services. In 2002, an additional 49 English-language and third-language digital services reported first year results. The number of digital services reporting in 2003 was 49, increasing to 52 in 2004.
- Specialty television services have a revenue stream from both advertising and subscription. In 2004, 47% of their revenues were derived from advertising revenues. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

Chart 3.12: Revenues of English-language private conventional television services by ownership group



Source: CRTC financial database

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.
- In Acquisition by CanWest Global Communications Corp., through its wholly-owned subsidiary CW Shareholdings Inc., of the ownership interests held previously by WIC Western International Communications Ltd. in various conventional television stations and in certain other broadcasting undertakings, Decision CRTC 2000-221, 6 July 2000, the Commission approved the acquisition by CanWest Global of certain television stations previously held directly or indirectly by WIC. In doing so, the Commission required CanWest Global to divest its interests in CFCF-TV and CKVU-TV. The divestitures took place in the Fall of 2001. The stations were held in trust during this period. Consequently, the revenues for 2001 shown here for Global exclude CFCF-TV and CKVU-TV.
- CHUM acquired the CKVU-TV Vancouver¹⁴ station and launched CIVI-TV Victoria¹⁵ in 2001. Revenues for these stations are included in 2002.
- BCE Inc. holds a 68.5% voting interest in Bell Globemedia Inc. (BGM). CTV revenues for 2001 and 2002 include the CTV network plus CTV stations, less the network payments to CTV affiliates. Revenues for the CFCF-TV Montréal station are included in 2002.
- The Commission approved the transfer of effective control of Craig's Alberta and Manitoba conventional television stations to CHUM¹⁶ and its Toronto conventional television station to Quebecor Media¹⁷ in November 2004.
- In 2004, these four ownership groups accounted for 92% of the total revenues reported by private English-language conventional television stations.
- CTV Television owns and operates twenty-five English-language conventional television stations and a satellite-to-cable service. It also has affiliation agreements with three private independently owned television stations. Its network operation

¹⁴ Transfer of control of CKVU-TV Vancouver, Decision CRTC 2001-647, 15 October 2001

¹⁵ New television station on Vancouver Island, Decision CRTC 2000-219, 6 July 2000

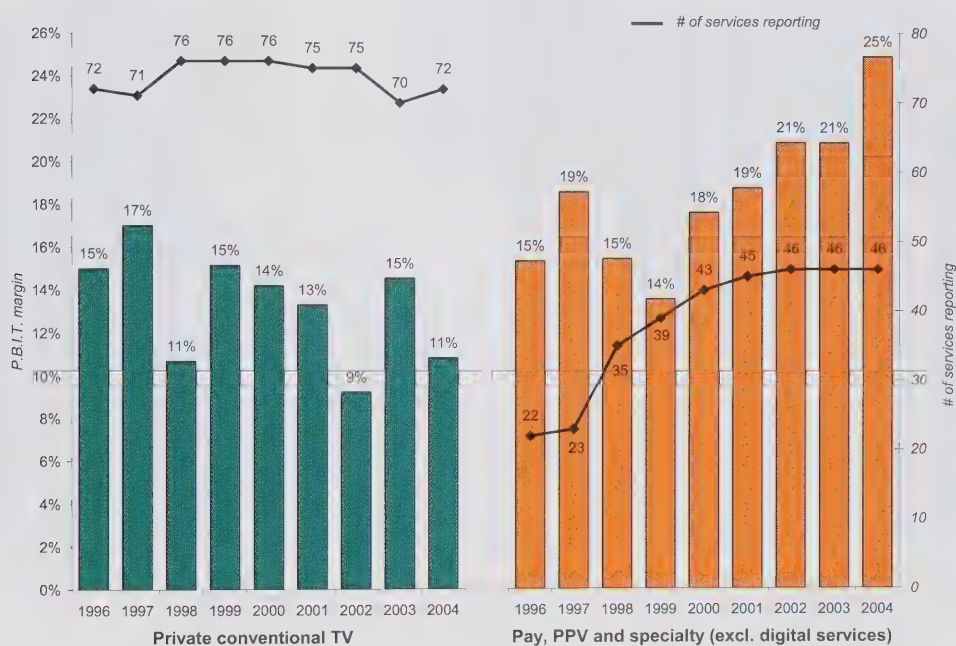
¹⁶ Decision CRTC 2004-502

¹⁷ Decision CRTC 2004-503

reaches approximately 99%¹⁸ of English-speaking Canadians. CTV also holds a 40% voting interest in TQS Inc.

- CanWest Global owns and operates nineteen English-language conventional television stations as well as an independent conventional ethnic station located in Montréal. Its network operation reaches approximately 94%¹⁹ of English-speaking Canadians.
- CHUM owns and operates eight English-language conventional television stations located in Ontario (6) and British Columbia (2). In November 2004, CHUM acquired four television stations from Craig²⁰, 2 in Alberta and 2 in Manitoba. With these acquisitions, CHUM has become an English-language national multi-station group reaching approximately 85%²¹ of English-speaking Canadians.
- Craig Media owned and operated five English-language conventional television stations located in Alberta (2), Manitoba (2) and Ontario (1). As noted above, in November 2004, CHUM acquired effective control of Craig's Alberta and Manitoba stations. Effective control of the Toronto station was acquired by Quebecor Media²².

Chart 3.13: Aggregate PBIT²³ margins of English-language private conventional television & pay, PPV and analog specialty services



Notes: Includes ethnic & bilingual services. In 2003, CTV sold six of its conventional television stations to the CBC (CKNC-TV, CFCL-TV, CJIC-TV, CHNB-TV, CKBI-TV and CKOS-TV). Two new conventional television stations (OMNI-2 Toronto and Channel M, CHNM-TV Vancouver) began reporting in 2003. CKXT-TV Toronto began reporting in 2004.

Source: CRTC financial database

¹⁸ Bell Globemedia website 9 February 2005: www.bellglobemedia.com

¹⁹ CanWest Global Communications website 9 February 2005: <http://www.canwestglobal.com>

²⁰ Decision CRTC 2004-502

²¹ Decision CRTC 2004-502

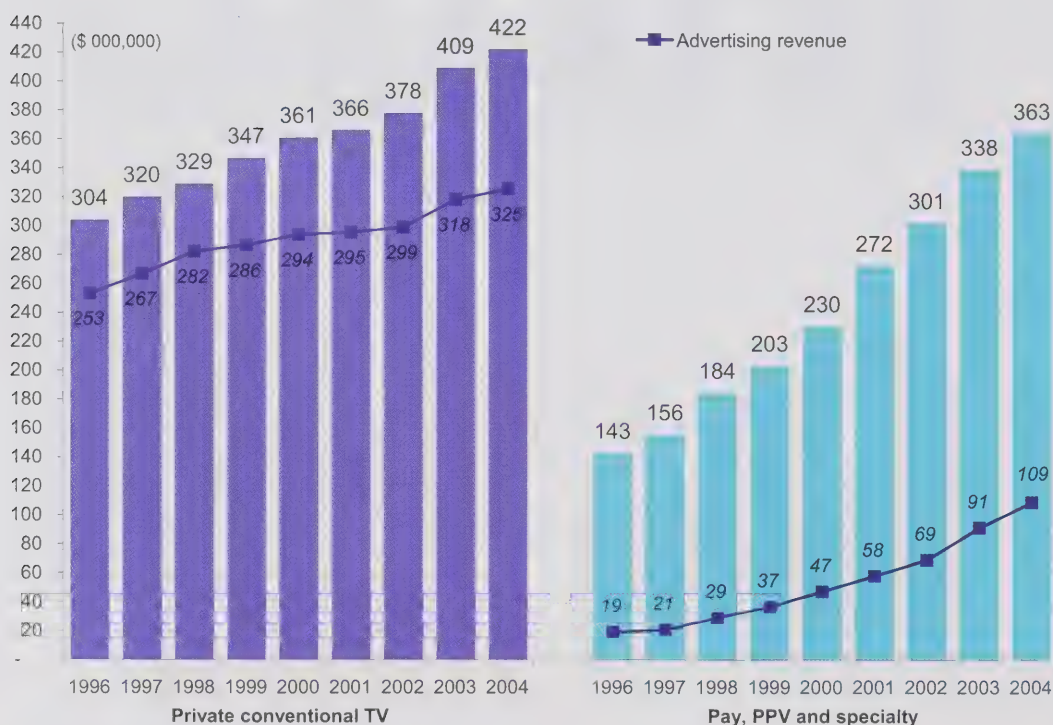
²² Decision CRTC 2004-503

²³ Profit before interest & taxes (PBIT)

- The drop in profitability in 1998 for conventional television stations was due to five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn.
- The number of pay, PPV and specialty services has been climbing steadily over the past several years. The introduction of 12 new services in 1998 caused the aggregate PBIT margin decrease in 1998 and 1999.
- The 2004 pay, PPV & specialty results reflect \$391 million in profits from the analog services with a PBIT margin of 25%. The digital services reported PBIT losses of \$50 million in 2004, which resulted in a combined PBIT margin of 20% for English-language and third-language analog and digital pay, PPV and specialty services.

2. French-language private services

Chart 3.14: Revenues of French-language private conventional television & pay, PPV and specialty services

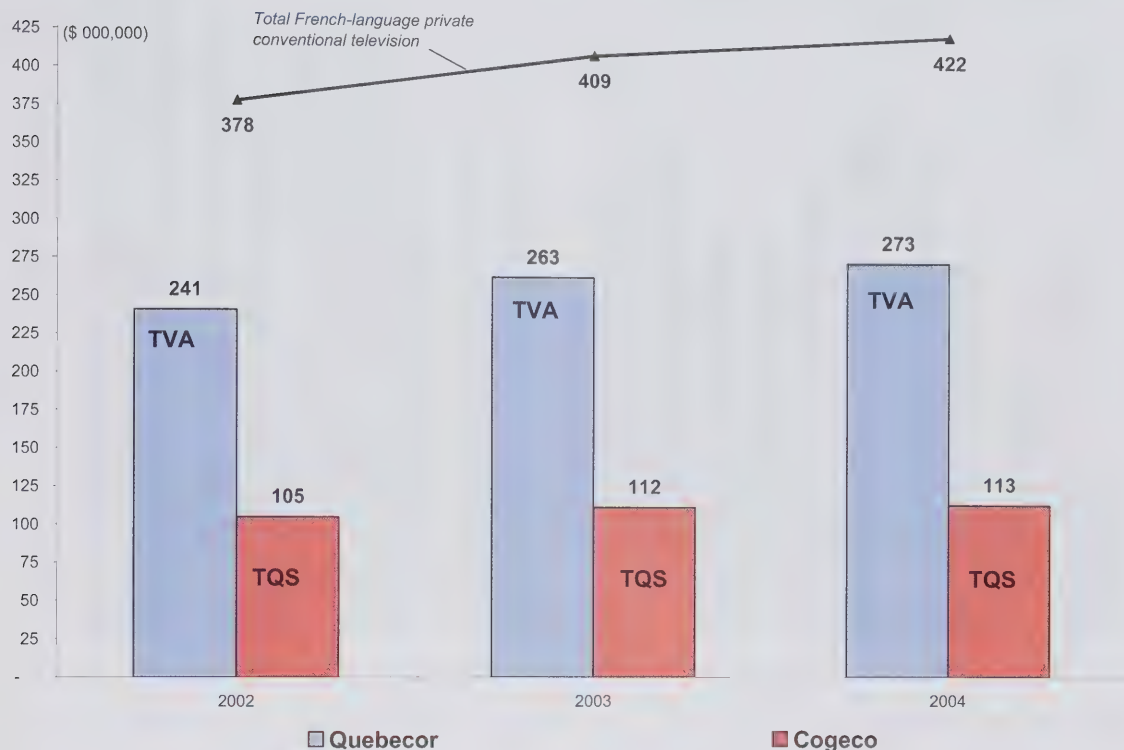


Excludes bilingual services
Source: CRTC financial database

- Revenue growth for French-language private conventional stations averaged 4% per year from 1996 to 2002. Revenues increased by 8% and 3% in 2003 and 2004, respectively. The number of stations has remained unchanged since 1993.
- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1996, the number of services has increased from 7 to 17 in 2002.

- French-language specialty services rely heavily on subscription revenues. In 2004, 63% of their revenues were derived from subscription revenues.

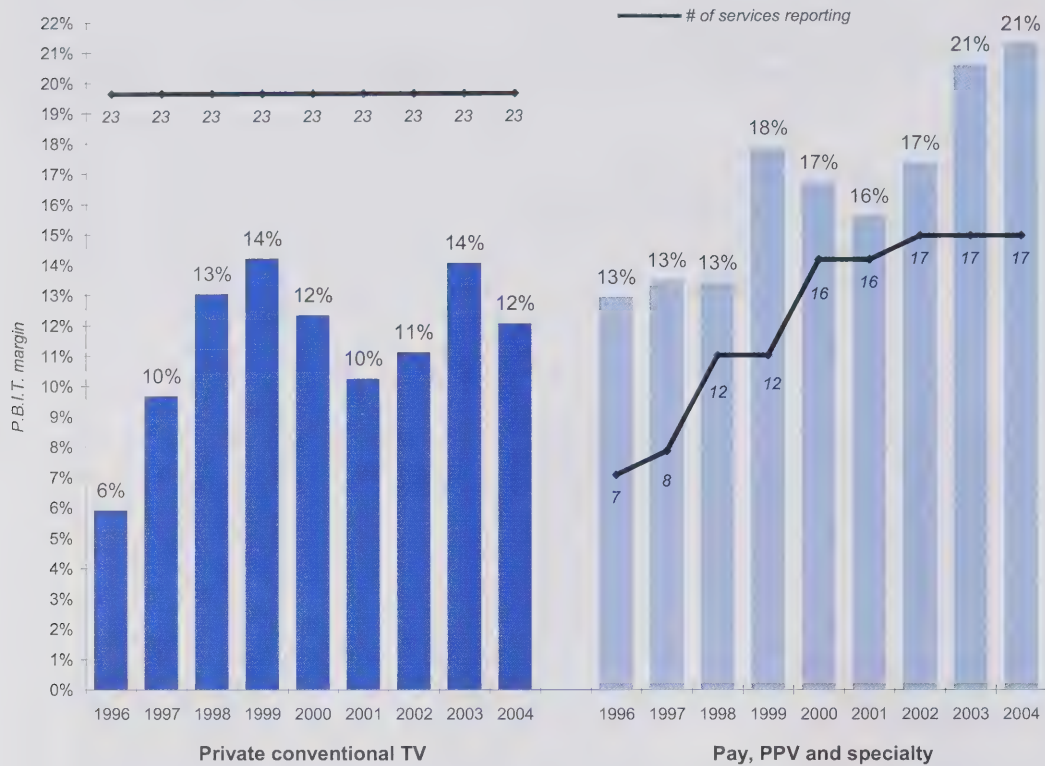
Chart 3.15: Revenues of French-language private conventional television services by ownership group



Note: Based on conventional stations owned or controlled by the ownership group on August 31st of each year.
Source: CRTC financial database

- Quebecor and Cogeco accounted for 92% of the total revenues reported by private French-language conventional television in 2004.
- TVA is the largest private French-language conventional television broadcaster in Canada. In addition to the network, TVA owns and operates six television stations, including CFTM-TV Montréal and CFCM-TV Québec. It also has affiliation agreements with four private independently owned television stations and it holds a 45% ownership interest in two of these stations. The TVA service has been licensed for national distribution since 1998.
- TQS owns and operates eight French-language television stations (five TQS & three SRC affiliate stations) located in the province of Quebec. It also operates TQS, a French-language television network originating in Montréal.

Chart 3.16: Aggregate PBIT margins of private French-language conventional television & pay, PPV and specialty services

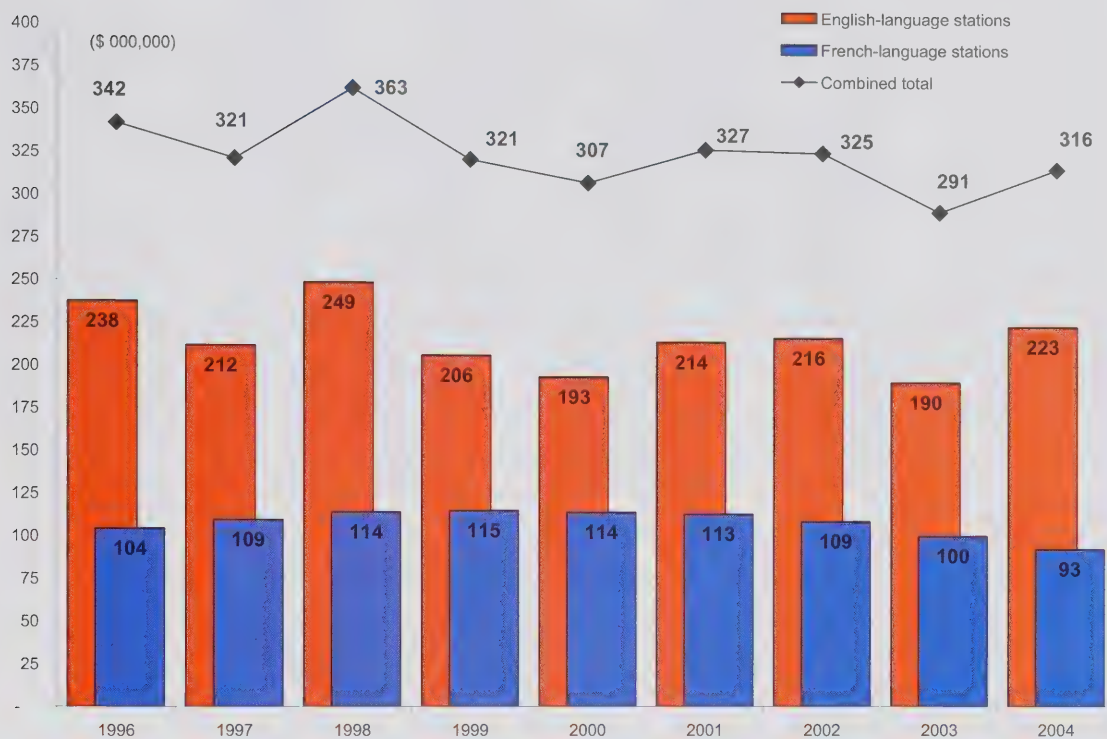


Source: CRTC financial database

- In 2002, the number of French-language specialty services increased from 16 to 17 with the addition of ARTV.

3. CBC conventional television stations

Chart 3.17: Advertising revenues: CBC conventional television stations
(owned & operated)



Source: Annual financial return filed with the CRTC

- The advertising revenues of CBC's English-language conventional television stations in 2004 represented 12% of the total advertising dollars reported by the CBC and private English-language and third-language conventional television stations. In 1996, the CBC's share was 16%.
- The advertising revenues of CBC's French-language conventional television stations represented 18% of the total advertising dollars achieved by the CBC and private French-language conventional television stations in 2004. In 1996, its share was 29%.

D. Eligible expenditures on Canadian programming (CPE)²⁴

1. English-language

Table 3.7: Private commercial conventional television

Genre (\$ 000)	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
News (cat. 1)	229,931	235,149	247,719	255,976	267,288	-3%	2%	5%	3%	4%
Other info. (cat. 2 to 5)	28,413	34,496	40,369	41,983	46,965	-5%	21%	17%	4%	12%
Sports (cat. 6)	26,727	24,942	19,088	17,477	8,336	-11%	-7%	-23%	-8%	-52%
Drama & comedy (cat. 7)	60,443	62,594	58,589	64,706	53,599	5%	4%	-6%	10%	-17%
Music/Variety (cat. 8 & 9)	5,368	4,163	4,583	2,251	8,628	-3%	-22%	10%	-51%	283%
Game show (cat. 10)	41	1,590	106	75	67	-81%	3738%	-93%	-29%	-11%
Human interest (cat. 11)	25,017	20,321	18,658	21,321	34,861	-12%	-19%	-8%	14%	64%
Other (cat. 12 to 15)	-	965	2,033	2,340	2,520			111%	15%	8%
Total (cat. 1 to 15)	375,940	384,221	391,143	406,129	422,265	-3%	2%	2%	4%	4%

Includes ethnic stations

Source: CRTC financial database

Table 3.8: CBC television

Genre (\$ 000)	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
News (cat. 1)	100,047	59,200	130,463	131,102	129,825	3%	-41%	120%	0%	-1%
Other info. (cat. 2 to 5)	40,086	37,143	99,929	64,447	73,716	-17%	-7%	169%	-36%	14%
Sports (cat. 6)	95,031	141,046	169,278	183,147	161,400	-26%	48%	20%	8%	-12%
Drama & comedy (cat. 7)	62,407	46,212	60,702	66,676	68,640	1%	-26%	31%	10%	3%
Music/Variety (cat. 8 & 9)	8,156	5,982	16,789	13,774	16,334	-33%	-27%	181%	-18%	19%
Game show (cat. 10)	-	-	6,049		3,245				-100%	-
Human interest (cat. 11)	18,568	9,962	19,061	25,680	19,634	298%	-46%	91%	35%	-24%
Other (cat. 12 to 15)	-	-	-	-	-					
Total (cat. 1 to 15)	324,295	299,545	502,271	484,826	472,794	-8%	-8%	68%	-3%	-2%

Source: CRTC financial database

²⁴ Excludes Canadian Television Fund (CTF) reported by stations and services.

Table 3.9: Pay, PPV and specialty services

(\$ 000)	2000	2001	2002	2003	2004	00	01	02	03	04
						Annual growth %				
Specialty services:										
Analog services *	335,784	390,263	441,682	473,368	503,862	16%	16%	13%	7%	6%
Digital services			34,297	36,539	38,720				7%	6%
Pay & PPV services	28,763	24,599	34,357	43,427	53,136	82%	-14%	40%	26%	22%
Total	364,547	414,862	510,336	553,335	595,718	19%	14%	23%	8%	8%
						Increase / Decrease				
Number of services reporting:										
Analog specialty services	28	30	30	30	30	3	2	-	-	-
Digital specialty services			45	46	48			45	1	2
Pay & PPV services	10	10	11	11	11	1	-	1	-	-
Total	38	40	86	87	89	4	2	46	1	2

Includes bilingual services

* 2000 to 2003 includes estimated CPE for ROBTV service

Source: CRTC financial database

2. French-language

Table 3.10: Private commercial conventional television and SRC

Genre (\$000)	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
News (cat. 1)	111,698	88,947	91,087	96,731	97,725	15%	-20%	2%	6%	1%
Other info. (cat. 2 to 5)	53,669	40,980	44,613	52,101	47,080	8%	-24%	9%	17%	-10%
Sports (cat. 6)	20,674	24,884	23,642	11,626	18,221	-8%	20%	-5%	-51%	57%
Drama & comedy (cat. 7)	59,800	59,502	64,591	84,874	79,155	3%	0%	9%	31%	-7%
Music/Variety (cat. 8 & 9)	37,792	24,155	32,668	26,269	26,645	-1%	-36%	35%	-20%	1%
Game show (cat. 10)	2,241	5,350	6,686	4,183	5,967	-28%	139%	25%	-37%	43%
Human interest (cat. 11)	44,012	52,584	42,179	51,675	70,207	22%	19%	-20%	23%	36%
Other (cat. 12 to 15)	-	-	233	4	227				-98%	6107%
Total (cat. 1 to 15)	329,887	296,403	305,701	327,463	345,226	9%	-10%	3%	7%	5%

Source: CRTC financial database

Table 3.11: Pay, PPV and specialty services

	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
Pay, PPV and specialty services (\$000)	86,113	102,260	115,750	136,580	149,722	9%	19%	13%	18%	10%
						Increase / Decrease				
Number of services reporting:										
Analog specialty services	12	12	13	13	13	3	-	1	-	-
Pay & PPV services	3	3	3	3	3	-	-	-	-	-
Total	15	15	16	16	16	3	-	1	-	-

2000 to 2003 exclude CPE estimates for the LCN service which were reported in previous reports.

Source: CRTC financial database

3. Ethnic specialty services

Table 3.12: Specialty services

	2000	2001	2002	2003	2004	Annual growth %				
						00	01	02	03	04
Specialty services (\$000)	8,336	9,052	9,681	11,220	11,368	6%	9%	7%	16%	1%
						Increase / Decrease				
Number of services reporting:										
Analog specialty services	4	4	4	4	4	-	-	-	-	-
Digital specialty services			1	1	1			1	-	-
Total	4	4	5	5	5	-	-	1	-	-

Source: CRTC financial database

E. Tangible benefits resulting from the transfers of ownership or control of television broadcasting undertakings

- When considering applications to transfer ownership or control of a television undertaking, the Commission generally expects significant benefits to be offered to the community in question or to the Canadian broadcasting system as a whole. Since competing applications are not solicited, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction.
- The principal components of the Commission's policies with respect to benefits resulting from the transfer of ownership or control are set out in *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993. In The Television Policy, the Commission amended its tangible benefits policy with respect to transfers of ownership or control involving television broadcasting undertakings. This amendment requires applicants to make commitments to clear and unequivocal tangible benefits representing financial contributions of at least 10% of the value of the transaction.
- The following table shows the number of English-language and French-language transfers of ownership or control of television broadcasting undertakings from 11 June 1999 to 31 March 2005.

Table 3.13: Value of television transactions and corresponding transfer benefits for the period 11 June 1999 to 31 March 2005

(\$000,000)	English-language services			French-language services			Total benefits
	# of trans.	Value of the trans-action*	Benefits	# of trans.	Value of the trans-actions*	Benefits	
11 Jun 99 to 31 Aug. 01	12	3,645	380.5	3	556	55.7	436.2
1 Sep. 01 to 31 Aug. 02	8	686	71.9	1	74	7.4	79.3
1 Sep. 02 to 31 Aug. 03	2	1	0.4	1	1	0.0	0.4
1 Sep. 03 to 31 Aug. 04	3	1	0.1	-	-	-	0.1
1 Sep. 04 to 31 Mar. 05	3	271	27.1	-	-	-	27.1
Total	28	4,604	480.0	5	631	63.0	543.1

* Value determined by the Commission for the purpose of calculating transfer benefits.

F. Canadian digital television services

- Digital television (DTV) is a technology based on the Advanced Television Systems Committee transmission standard (A/53). The standard has been adopted for use in Canada and is designed to replace the current analog NTSC broadcast system that has been in use in North America for over half a century. The Commission's policies are intended to encourage the transition of the Canadian broadcasting system from analog to digital and high definition technology.
- The Commission considers that any distribution capacity constraints experienced by distributors over the transitional period, will be eased in the longer term, when distributors are no longer required to carry both the analog and digital versions of the same signal.
- While the Commission envisages a largely voluntary and market-driven transition to digital television, it recognizes the need to provide regulatory certainty and encouragement during the transition period. It has instituted regulatory frameworks for the licensing and distribution of digital over-the-air services and is currently engaged in a policy process to establish the regulatory framework relating to the licensing and carriage of high definition pay and specialty services.

1. Over-the-air digital television services

- In *A licensing policy to oversee the transition from analog to digital over-the-air television broadcasting*, Broadcasting Public Notice CRTC 2002-31, 12 June 2002 (Public Notice 2002-31), the Commission sets out a policy framework for the licensing of over-the-air digital television (DTV) services. The policy framework is based on a voluntary, market-driven transition model, without mandated deadlines as well as the principle that digital technology will be treated as a replacement for analog technology.

- Transitional DTV licensees are allowed to broadcast a maximum of 14 hours per week of high definition programming that is not duplicated on the analog version of the service. A minimum of 50% of this unduplicated high-definition programming must be Canadian and all of the unduplicated programming must be in high definition television (HDTV) format.
- Additionally, the Commission encourages transitional DTV licensees to ensure that two-thirds of their schedules are available in a HDTV format by 31 December 2007.²⁵
- In *The regulatory framework for the distribution of digital television signals*, Broadcasting Public Notice CRTC 2003-61, 11 November 2003 (Public Notice 2003-61), the Commission sets out, among other things, the regulatory framework that governs the distribution of over-the-air digital broadcasting services. In general, a broadcast distribution undertaking's regulatory obligations and authorities to distribute digital signals will match those that currently apply to the distribution of the analog version of these services. The Commission will require distribution undertakings to carry the primary signal of Canadian over-the-air digital television signals identified in sections 17, 32 and 37 of the Regulations, except as otherwise provided under a condition of licence.
- In Public Notice 2003-61, the Commission also determined that a cable BDU may apply to be relieved of the obligation to distribute analog signals, once 85% of its subscribers have the ability to receive digital services by means of digital television receivers or set-top boxes.
- The following table lists the sixteen stations that currently hold transitional digital television licences.

Table 3.14: Over-the-air transitional digital television⁽¹⁾

Market	Language	Source station	
Montréal	F	CFJP	TQS
	F	CBFT	SRC
	E	CBMT	CBC
Toronto	F	CBLFT	SRC
	E	CBLT	CBC
	E	CFTO	CTV
	E	CIII	Global
	E	CITS	Crossroads (<i>devoted to religious programming</i>)
	E	CITY	CHUM
	E	CKXT	Quebecor (<i>also a rebroadcaster in the Hamilton market</i>)
	O/E	OMNI 1	Rogers (<i>ethnic station</i>)
	O/E	OMNI 2	Rogers (<i>ethnic station</i>)
Hamilton	E	CHCH	Global
Vancouver	E	CBUT	CBC
	E	CHAN	Global
	E	CIVT	CTV

(1) Number of stations approved but not necessarily in operation.

E: English; F: French; O/E: Multi/English

Source: CRTC APP 1205 (24 April 2005)

²⁵ Consistent with recommendation eight of the Task Force on the Implementation of Digital Television report submitted to the Minister of Canadian Heritage in October 1997.

2. Digital pay and specialty services

- In *Licensing framework policy for new digital pay and specialty services*, Public Notice CRTC 2000-6, 13 January 2000, and in *Revised procedures for processing applications for new digital Category 2 pay and specialty television services*, Broadcasting Public Notice CRTC 2004-24, 8 April 2004, the Commission set out a framework for licensing digital Canadian pay and specialty programming services. This framework established two categories of digital services that are designed to enhance diversity and choice for Canadian viewers:
 - Category 1 services: These services have digital carriage privileges and genre protection to support them during the uncertain early digital rollout period. Only a limited number of specialty services were licensed as category 1 services.
 - Category 2 services: These services are not assured digital carriage and are competitive with one another. Applicants that meet the basic licensing criteria and are not directly competitive with any existing pay or specialty, or category 1 services are licensed.

In order to expand the diversity and choice of Canadian third-language ethnic television services, the Commission also proposed to establish a more open-entry framework for third-language ethnic category 2 pay and specialty services. In *Call for comments on a proposed new approach to the consideration of applications for Canadian third-language ethnic Category 2 pay and specialty services*, Broadcasting Public Notice CRTC 2005-17, 25 February 2005, the Commission proposed to remove the competitive assessment criteria for third-language ethnic category 2 pay and specialty services.

3. Digital regulatory framework proceedings

- The Commission is currently engaged in two concurrent proceedings relating to the digital regulatory framework.
 - a) Licensing and distribution framework for Canadian pay and specialty services in the high definition (HD) format**
- In Public Notice 2003-61, the Commission stated that it would authorize the licensee of a Canadian pay or specialty service to make available an upgraded version of the service, by means of an amendment to the licence of the corresponding analog service. This authority would be in effect for a term of three years, pending the development of a licensing and distribution framework for Canadian pay and specialty services in HD format. This process was initiated in *Call for comments on a proposed framework for the licensing and distribution of high definition pay and specialty services*, Broadcasting Public Notice CRTC 2004-58, 6 August 2004 (Public Notice 2004-58). The closing date for comments was 21 April 2005.
- As of 13 May 2005, the Commission has approved, by way of licence amendment, three analog specialty services and two category 2 specialty services for distribution in the HD format.

b) Migration of pay and specialty services from analog to digital distribution

- In *Determinations with respect to the establishment of rules to govern the distribution of specialty services on the basic service of fully digital cable undertakings; and call for proposals for a framework to guide the migration of pay and specialty services from analog to a digital distribution environment*, Broadcasting Public Notice CRTC 2005-1, 7 January 2005 (Public Notice 2005-1), the Commission stated that it will expand the scope of its deliberations to include a proposed framework that will govern the migration of pay and specialty services from analog to digital distribution. The Commission stated that many of the issues raised in this proposed framework are related and may influence its determinations in the proceeding initiated in Public Notice 2004-58.

G. Specialty, pay, PPV and VOD services

Specialty services (Specialty Services Regulations, 1990)

- There are 49 Canadian analog specialty services: 28 English-language, 14 French-language, two bilingual (English & French) and five third-language.²⁶
- There are also 18 category one digital specialty services: 15 English-language²⁷ services were launched in Fall 2001 and three French-language²⁸ services were launched in Fall 2004. These services were approved following a competitive hearing and were licensed on a one-per-genre basis in 2000.
- Category 2 digital specialty services are licensed on a more competitive, open-entry basis. The Commission continues to approve additional category 2 services. As of 22 February 2005, licences have been issued to over 129 category 2 specialty services, including 68 English-language, two French-language, 53 ethnic or third-language and six bilingual. Approximately 58 of these services, 40 English-language, 17 third-language and one French-language, have been launched.

Pay services (Pay Television Regulations, 1990)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- In January 2005, the Commission issued a call for applications for a broadcasting licence to carry on a competitive national general interest pay television undertaking.

²⁶ Languages other than English and French or those of Aboriginal Canadians.

²⁷ There were 16 English-language category 1 digital specialty services authorized by the Commission in November 2000. One of these, WSTN (Women's Sport Television Network), is no longer in operation.

²⁸ There were 5 French-language category 1 digital specialty services authorized by the Commission in November 2000. The licensees of Tél  Ha! Ha! and Perfecto, La Cha ne have decided not to launch these services.

In the call²⁹, the Commission indicated that it had not reached any conclusion with respect to the licensing of, or access privileges of, any such service at this time.

- The Commission has also licensed six digital category 2 pay services.

Pay-Per-View (PPV) services (Pay Television Regulations, 1990)

- There are five (terrestrial) pay-per-view services: three English-language, one bilingual (English and French) and one French-language.
- There are six direct-to-home (DTH) pay-per-view services: four English-language, one bilingual (English and French), and one French-language.

Video-on-demand (VOD) services (Pay Television Regulations, 1990)

- As of 22 February 2005, there were 13 licensed video-on-demand programming undertakings.

1. Financial results for pay, PPV and specialty analog & digital services

- In *Call for comments on a proposal to accord confidentiality to the detailed financial information provided to the Commission in the annual returns of pay and specialty programming services*, Broadcasting Public Notice CRTC 2005-42, 29 April 2005, the Commission invited comments with respect to a proposal that the financial and operating data of pay and specialty services be accorded confidentiality. Pending disposition of this matter, the 2004 financial results of individual services are being kept confidential. Only aggregate financial data have been made available to the public.
- The following table provides 2004 aggregate financial results³⁰ for the pay, PPV and specialty analog and digital services by language.

²⁹ *Call for applications for a broadcasting licence to carry on a national general interest pay television undertaking*, Broadcasting Public Notice CRTC 2005-6, 14 January 2005.

³⁰ Based on services reporting to the CRTC.

Table 3.15: Financial results for pay, PPV and specialty analog & digital services

Services	Number of services reporting	31 August 2004		
		Revenues	PBIT	
		\$ 000	\$ 000	Margin
English-language analog specialty	30	1,202,589	304,045	25.3%
English-language category 1 digital specialty ⁽¹⁾	16	47,657	-17,023	-35.7%
English-language category 2 digital specialty	33	68,579	-32,859	-47.9%
Total English-language specialty	79	1,318,825	254,163	19.3%
Total French-language (analog) specialty	14	309,928	63,840	20.6%
Third-language specialty	5	48,246	12,506	25.9%
Third-language category 2 digital specialty	3	1,518	-144	-9.5%
Total third-language specialty	8	49,764	12,362	24.8%
Total Specialty Services	101	1,678,516	330,365	19.7%
Pay & PPV services (English & French-language)	14	371,988	87,735	23.6%
Total specialty, pay & PPV services	115	2,050,504	418,100	20.4%

(1) As of 30 September 2003, WTSN was no longer broadcasting, partial year results included above.

Source: CRTC Financial database

2. Companies with significant ownership interests in specialty, pay, PPV and VOD analog and digital services

Table 3.16: Companies with significant ownership interest in specialty, pay, PPV and VOD services as of 31 January 2005

Alliance Atlantis	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• Life Network, The	e	100%
• Showcase	e	100%
• History Television, The	e	100%
• HGTV Canada (Home & Garden Television)	e	80.24%
• Food Network Canada	e	57.61%
• Séries+	f	50%
• Historia	f	50%
• The Score (Headline Sports)	e	25.98%
Category 1 digital specialty services:		
• Independent Film Channel, The	e	100%
• Discovery Health Network	e	80%
• One: Body, Mind & Spirit	e	29.9%
Category 2 digital specialty services:		
• Showcase Diva	e	100%
• Showcase Action	e	100%
• BBC Canada	e	80%
• BBC Kids	e	80%
• National Geographic Canada	e	64%
• Scream	e	49%
Astral Media	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• VRAK-TV (Canal Famille)	f	100%
• Canal D	f	100%
• Canal Vie	f	100%
• Ztélé (Canal Z)	f	100%
• Historia	f	50%
• Séries+	f	50%
• MusiquePlus	f	50%
• Musimax	f	50%
• Teletoon / Télétoon	b	40%
Pay services:		
• Moviepixl (The Classic Channel)	e	100%
• TMN (Movie Network, The)	e	100%
• Super Écran	f	100%
• Family Channel, The	e	100%
PPV services: (terrestrial & DTH):		
• Viewers Choice Canada	e	50.1%
• Canal Indigo	f	20.04%

BCE	Language	Direct/Indirect Voting Interest
PPV service (Terrestrial & DTH):		
• Bell ExpressVu	b	100%
Bell Globemedia		
BCE Inc. holds 68.5% voting interest in Bell Globemedia Inc.		
Analog specialty services:		
• CTV Newsnet	e	100%
• TalkTV	e	100%
• ROBTV	e	100%
• Comedy Network, The	e	100%
• TSN (Sports Network, The)	e	80%
• RDS - Réseau des Sports	f	80%
• Discovery Channel, The	e	64%
• Outdoor Life Network (OLN)	e	33.34%
• ARTV	f	16%
Category 1 digital specialty services:		
• CTV Travel	e	100%
• RDS Info Sports (Réseau Info Sports)	f	80%
Category 2 digital specialty services:		
• ESPN Classic Canada	e	80%
• Discovery Civilization Channel	e	64%
• Animal Planet	e	64%
• NHL Network, The	e	17.14%
• Raptors NBA-TV	e	15.44%
• Leaf TV	e	15.44%
PPV services (Terrestrial & DTH):		
• Viewer's Choice Canada	e	19.96%
• Canal Indigo*	f	15.98%

*Comprised of 8% held through TQS inc. and 7.98% held through Viewer's Choice Canada.

CanWest	Language	Direct/Indirect Voting Interest
Analog specialty service:		
• Prime TV	e	100%
Category 1 digital specialty services:		
• MenTV	e	49%
• Mystery	e	50%
Category 2 digital specialty services:		
• Cool TV	e	100%
• DejaView	e	100%
• Fox Sports World Canada	e	100%
• Lonestar	e	100%
• Xtreme Sports	e	100%

CBC / SRC	Language	Direct/Indirect Voting Interest
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Analog specialty services:

• Newsworld	e	100%
• RDI – Réseau de l'information	f	100%
• ARTV	f	37%

Category 1 digital specialty services:

• Country Canada	e	100%
• Canadian Documentary Channel, The	e	29%

Pay service:

• Galaxie (Pay audio)	b	100%
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CHUM	Language	Direct/Indirect Voting Interest
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Analog specialty services:

• Bravo!	e	100%
• MuchMusic	e	100%
• MuchMoreMusic	e	100%
• Space	e	100%
• Star-TV	e	100%
• Pulse24 (CP24)	e	100%
• Canadian Learning Television (CLT)	e	60%
• MusiquePlus	f	50%
• Musimax	f	50%

Category 1 digital specialty services:

• FashionTelevision: The Channel	e	100%
• MTV Channel	e	100%
• Book Television: The Channel	e	60%

Category 2 digital specialty services:

• Drive-in Classics	e	100%
• MuchLOUD	e	100%
• MuchMoreRETRO	e	100%
• MuchVibe	e	100%
• SexTV: The Channel	e	100%
• MTV2	e	100%
• TV Land	e	80.1%
• Court TV Canada	e	60%

Cogeco	Language	Direct/Indirect Voting Interest
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PPV (Terrestrial & DTH) & VOD services:

• Canal Indigo* – PPV service	e	32%
• Cogeco Câble – regional VOD service	b	100%

*Comprised of 20% held by Cogeco and 12% held through TQS Inc.

Corus ¹⁾	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• YTV	e	100%
• TreeHouse	e	100%
• W (Women's Television Network)	e	100%
• CMT (Country Music Television)	e	90%
• Telelatino (Ethnic Service: Italian & Hispanic/Spanish)	o	50.5%
• Teletoon/Télétoon*	b	40%
• Food Network Canada	e	22.59%
Category 1 digital specialty services:		
• Canadian Documentary Channel, The	e	53%
Category 2 digital specialty services:		
• Discovery Kids	e	80%
• Scream	e	51%
• Video Italia (Ethnic service)	o	50.5%
• Leonardo World (Ethnic service)	o	50.5%
Pay & VOD services:		
• MovieCentral (SuperChannel) – pay service	e	100%
• Encore Avenue (MovieMax!) – pay service	e	100%
• MaxTrax (Pay audio service)	b	100%
• National VOD service	b	100%

*20% of the 40% voting interest is held by Nelvana Limited, a company that produces and distributes children and family productions. Corus Entertainment Inc. holds 97.71% voting interest in Nelvana Limited.

Quebecor Media	Language	Direct/Indirect Voting Interest
Quebecor inc. holds 54.72% voting interest in Quebecor Media Inc.		
Archambault Group Inc.		
Quebecor Media Inc. holds 94.5% voting interest in Archambault Group Inc.		
VOD service:		
• Illico sur demande – regional VOD	b	100%
TVA Group Inc.		
Quebecor Media Inc. holds 99.9% voting interest in TVA Group Inc.		
Analog specialty services:		
• LCN - Le Canal Nouvelles	f	100%
• Canal Évasion	f	8.31%
Category 1 digital specialty services:		
• MenTV	e	51%
• Mystery	e	50%
• Argent (LCN Affaires)	f	100%
• Mystère (13ième rue)	f	100%
PPV (terrestrial & DTH) service:		
• Canal Indigo	f	20%

Rogers Media	Language	Direct/Indirect Voting Interest
Analog specialty service:		
• Rogers Sportsnet	e	100%
• Outdoor Life Network (OLN)	e	33.3%
Category 1 digital specialty services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
PPV (terrestrial & DTH) and VOD services:		
• Sports/Specials Pay-per-View – PPV	e	80%
• Viewer's Choice Canada – PPV	e	24.95%
• Canal Indigo – PPV service	f	9.98%
• Rogers Cable – regional VOD service	b	100%

Shaw ⁽¹⁾	Language	Direct/Indirect Voting Interest
Category 1 digital specialty services:		
• Biography Channel, The	e	40%
• TechTV	e	33.33%
PPV & VOD services (terrestrial & DTH):		
• Shaw Pay-per-View – PPV service	e	100%
• Videon CableSystems Inc. – regional VOD service	b	100%

Notes to table 3.16:

- Legend: Language: e = English; f = French; o = Other; b=English/French, PPV = Pay-per-view; VOD = Video-on-demand
 - Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
 - Includes only category 2 services that have been launched as at 31 December 2004.
- (1) Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as J.R. Shaw has voting control of both companies.

Sources: CRTC Acquisition & Ownership Policy Section, Industry Analysis Division and CRTC Decisions

H. Ethnic programming services

- Section 3 (1)(d) (iii) of the Act provides, in part, that the Canadian broadcasting system should reflect the circumstances and aspirations of all Canadians, including the multicultural and multiracial nature of Canadian society.
- The principal components of the Commission's policy on ethnic broadcasting are set out in the *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (the Ethnic Policy). Among other things, the policy provides a framework for the licensing of an array of radio and television services in languages relevant to Canadian ethnocultural communities.
- Pursuant to the Ethnic Policy, ethnic television stations are required to devote at least 60% of their schedules to ethnic programming, and at least 50% of their schedules must consist of third-language programming.

- Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles. Such programming may be in any language or combination of languages.
- Third-language programming is programming in languages other than English and French or those of Aboriginal Canadians.

1. Over-the-air ethnic television stations

As a way of reflecting the circumstances and aspirations of the multicultural and multiracial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations serving the following markets:

a) Montréal

CJNT-TV was approved in August 1995. This station is currently owned and operated by Global Communications Limited.

CJNT-TV is required to broadcast ethnic programs directed towards not less than 18 distinct ethnic groups monthly and 25 annually. It also broadcasts in at least 15 different languages monthly and 25 annually.³¹

b) Toronto

There are currently two ethnic television stations licensed to serve the Toronto market. Both of these stations are owned and operated by Rogers Broadcasting Limited.

- OMNI 1 (formerly CFMT-TV) operates in the metropolitan Toronto/Hamilton area with transmitters in Ottawa and London making it available to approximately 70% of all Ontario residents.³² This station was approved in December 1978.

OMNI 1 provides ethnic programs dedicated to people of European, Latin American and Caribbean communities. It is required to broadcast programs targetted to not less than 18 distinct ethnic groups in a minimum of 15 different languages on a monthly basis.

- OMNI 2 was approved in April 2002. This station provides programming of interest to the Asian and African communities in the Toronto/Hamilton area, with transmitters³³ in Ottawa and London.

OMNI 2 was launched in September 2002 and is required to broadcast programs targetted to a minimum of 22 ethnic groups in at least 18 different languages per month.

³¹ Currently before the Commission is a proposal by CJNT-TV to eliminate its annual requirements relating to the minimum number of ethnic groups that it must serve and the minimum number of languages in which it must provide programming.

³² Licence renewal for ethnic television station CFMT-TV, Decision CRTC 2000-772, 21 December 2000.

³³ CJMT-TV (OMNI 2) Toronto – New transmitters in Ottawa and London, Broadcasting Decision CRTC 2003-602, 17 December 2003.

c) **Vancouver**

Channel M was approved in February 2002. This station is operated by Multivan Broadcast Limited Partnership and was launched on 27 June 2003. In *CHNM-TV Vancouver – New transmitter in Victoria*, Broadcasting Decision CRTC 2003-594, 3 December 2003, the Commission also approved a transmitter in the Victoria market.

Channel M is required to broadcast ethnic programming directed to at least 22 ethnic groups in a minimum of 22 distinct languages per month.

2. Ethnic pay & specialty services

In addition to ethnic conventional broadcasting services, the Commission has also licensed a number of Canadian ethnic specialty services.

a) **Analog ethnic specialty services**

There are five national Canadian analog ethnic specialty services offering programming in a variety of languages. These services are currently distributed either on a stand-alone basis or as part of a package with other discretionary services and are available to subscribers for a fee in addition to the basic monthly fee.

- Fairchild Television offers programming predominantly in Cantonese. The service was approved by the Commission in May 1984.
- Telelatino provides programs directed to Italian and Hispanic/Spanish audiences. The Commission approved this service in May 1984.
- Talentvision provides programming predominantly in Mandarin, complemented by some programming in Vietnamese and Korean. The service was approved by the Commission in December 1993.³⁴
- Asian Television Network (SATV) serves South Asian communities in 15 South Asian languages, predominantly Hindi, supplemented by programming in English. The service was approved by the Commission in September 1996.
- Odyssey provides programming intended for the Greek community. With the exception of a small amount of news programming, 100% of its programming is in Greek. The service was approved by the Commission in September 1996.

b) **Category 2 digital ethnic pay & specialty services**

As of 22 April 2005, the Commission has approved over 80 Canadian ethnic category 2 digital pay and specialty services. Of these, nineteen (17 specialty & 2 pay) have been launched.

³⁴ Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

- ABU Dhabi TV (Arabic TV) is a national ethnic specialty service targeting the Arabic speaking community. 90% of all programming broadcast is in Arabic.
- All TV (Doragi Television Network) is a national specialty service directed to the Korean / Korean-speaking community. 90% of the programming is in Korean.
- ATN Caribbean and African Network is a national ethnic pay television service targeting Caribbean and African communities.
- ATN Alpha Punjabi is a national specialty service directed to the Punjabi-speaking community. 100% of this service's programming is in Punjabi.
- ATN B4U Hindi (Hindi Movie Channel) is a national pay service devoted predominantly to Hindi movies. 90% of all programming is in Hindi.
- ATN Tamil Channel is a national specialty service directed to the Tamil-speaking community. 100% of the programming broadcast is in Tamil.
- ARY Digital (Urdu Channel) is a national specialty service directed to the Urdu-speaking community. 100% of the programming broadcast is in Urdu.
- Centre TV (Russian TV Two) is a national ethnic specialty service providing a programming service with a focus on Russian culture and issues, targeting the Russian-speaking community. Not less than 90% of all programming broadcast during the broadcast week is in the Russian language.
- Festival Portuguese Television is a national specialty service directed to the Portuguese speaking community. 90% of its programming is in Portuguese.
- Inter TV (Ukrainian TV1) is a national specialty service directed to the Ukrainian-speaking community. 90% of its programming is in Ukrainian.
- ITBC Television Canada is a national specialty service targeting the Tamil-speaking community. 90% of the programming is in Tamil.
- Mabuhay Channel, The (formerly ECG Filipino) is a national ethnic specialty service directed to the Filipino-speaking community. 90% of the programming broadcast is in Filipino.
- Odyssey 2 is a national specialty service directed to Greek-speaking audiences. 100% of the programming is in Greek.
- Persian Vision is a national specialty service directed to the Persian community. 85% of the programming is in Farsi.
- RTVi (Russian TV1) is a national specialty service directed to the Russian-speaking community. 90% of the programming is in Russian.

- SBTN (Vietnamese TV) is a national specialty service directed to the Vietnamese-speaking community. 90% of the programming is in Vietnamese.
- S.S.TV is a national specialty service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information concerns in East Indian countries and Punjabi communities in Canada. Not less than 50% of all programming is in the Punjabi language and no more than 38%, 7% and 5% Hindi, Urdu and English languages respectively.
- Tamil Vision (Tamil Channel) is a national specialty service directed to the Tamil-speaking community. 90% of the programming is in Tamil.
- Salt & Light Television (Inner Peace Television Network) is a national specialty service devoted to providing religious programming from the single point-of-view of the Roman Catholic faith. The service targets Italian-, Spanish-, Portuguese-, Polish-, Filipino-, English- and French-speaking audiences.

3. Non-Canadian third-language programming services eligible for distribution in Canada

- The Commission also authorizes non-Canadian third-language programming services that may be distributed by broadcasting distribution undertakings in Canada. There are currently 20 third-language programming services authorized for distribution.³⁵

I. Native television services

Section 3(1)(o) of the Act provides that programming that reflects the Aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available. The Commission's native broadcasting policy is set out in *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990.

The primary role of Aboriginal broadcasters is to address the specific cultural and linguistic needs of their audiences while creating an environment in which Aboriginal artists and musicians, writers and producers, can develop and flourish. Native undertakings have a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.

There are currently 10 originating and 95 rebroadcasting native television stations in operation. The Commission has also licensed two native television networks:

³⁵ See table 3.18 Non-Canadian satellite services authorized in Canada

- Native Communications Inc. (NCI)
- Wawatay Native Communications

In addition, the Commission has licensed the national Aboriginal television programming service, Aboriginal Peoples Television Network (APTN) and has given it mandatory carriage under an order issued pursuant to section 9(1)(h) of the Act.

J. Religious television stations

The Commission's religious policy is set out in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993. Pursuant to this policy, a religious program is defined as one which deals with a religious theme, including programs that examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.

1. Over-the-air religious television stations

There are five over-the-air religious television stations:

- The Miracle Channel (CJLT-TV) Lethbridge, Alberta
- Crossroads Television System (CITS-TV) Burlington, Ontario. The station serves the Hamilton, Burlington, St. Catharines and Toronto markets. It also has rebroadcasting transmitters in the Ottawa and London markets.
- CFEG-TV, Abbotsford, British Columbia
- CHNU-TV, Fraser Valley, British Columbia
- On 8 August 2002 the Commission approved an application by Trinity Television Inc. (CIIT-TV) for a religious television station to serve the Winnipeg area.³⁶

In *CHNU-TV Fraser Valley, CIIT-TV Winnipeg – Acquisition of assets, new transmitter in Victoria, and new licences*, Broadcasting Decision CRTC 2005-207, 20 May 2005, the Commission approved the applications by Roger Broadcasting Limited for authority to acquire the assets of CHNU-TV and granted licences to operate CHNU-TV and CIIT-TV. The Commission also authorised the addition of a transmitter in Victoria to broadcast the programming of CHNU-TV to Victoria and its surrounding areas.

³⁶ In *Deadline to commence operations*, Broadcasting Decision CRTC 2004-279, 19 July 2004, the Commission extended the time limit to commence operations to 30 November 2005.

2. Specialty religious services

- Vision TV is a national English-language specialty television service devoted to interfaith religious programming that is related to spirituality and moral or ethical issues.
- Inner Peace Television Network (IPTN) is a national ethnic category 2 digital specialty television service devoted to providing Roman Catholic religious programming.
- S.S.TV is a national ethnic category 2 digital specialty service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information that reflects concerns in East Indian countries and Punjabi communities in Canada.

3. Foreign religious services

- The only foreign religious service being carried by Canadian distributors is the Eternal Word Television Network (EWTN), a Catholic religious service.

K. The national public broadcaster

The Canadian Broadcasting Corporation / Société Radio-Canada (CBC/SRC) is Canada's national public broadcaster. Pursuant to section 3(1)(l) of the Act, the CBC/SRC should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

1. Over-the-air conventional television stations

The CBC/SRC operates two national television network services – one in English and the other in French. CBC/SRC also provides a distinctive television service in northern Canada, broadcasting in English, French and eight Aboriginal languages. Privately-owned stations affiliated with the CBC/SRC allow it to reach more Canadians.

2. Specialty services

The CBC/SRC owns and operates the following specialty services:

- CBC Newsworld, a national English-language news and information specialty service;
- Le Réseau de l'information (RDI), a national French-language news and information specialty service; and
- Country Canada, a national English-language category 1 digital specialty service that provides information and entertainment from a rural perspective.

The CBC/SRC also has partial ownership interests in the following specialty services:

- ARTV, a national French-language specialty service dedicated to the arts (37%); and
- The Canadian Documentary Channel, a national English-language category 1 digital specialty service that broadcasts documentary programming on a 24-hour basis (29%).

L. Community-based television

- The role of community-based television is primarily to provide a public service, facilitating self-expression through free and open access to members of the community. As such, at least 60% of the programming aired during each broadcast week is comprised of local community television programming.
- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61), the Commission set out an integrated policy framework for community-based media. The objective of this policy is to ensure the creation and exhibition of more locally-produced, locally-reflective community programming and to foster a greater diversity of voices and alternative choices by facilitating new entrants at the local level.
- Public Notice 2002-61 replaced the 1991 Community Channel Policy³⁷ establishing a new licensing framework for community programming services. Public Notice 2002-61 also established a new class of broadcasting licences for the provision of community programming known as “community-based television programming undertakings.”³⁸
- In situations where the cable company does not provide a community channel, or does not operate a community channel in accordance with the provisions of the Commission’s policy, community groups may apply for a community programming service licence. The licensees of these services must be non-profit organizations with membership, management and programming that is mainly from the community. There are currently 11 such services licensed in Canada: nine English-language, one bilingual (English & French) and one French-language.

M. Non-Canadian satellite services authorized in Canada

- *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2005-51, 13 May 2005 (the Lists), sets out the eligible satellite services authorized for distribution in Canada. The Lists are amended from time to time, as required.

³⁷ 1991 Community Channel Policy, Public Notice CRTC 1991-59, 5 June 1991 (1991 Community channel policy).

³⁸ The licensing framework for community-based television programming undertakings includes two sub-categories: community-based low-power television undertakings and community-based digital services.

- The Commission's policy precludes the addition of English- or French-language non-Canadian services to the Lists if the Commission determines them to be either partially or totally competitive with Canadian specialty or pay television services. This policy serves to ensure that Canadian licensed services are in a position to fulfil their commitments and obligations regarding the airing of Canadian programming, a responsibility that non-Canadian services do not have.
- *In Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004, the Commission adopted a more open-entry approach to non-Canadian third-language general interest television services in order to expand the diversity and choice in television services available to underserved third-language communities in Canada.
- The Commission has approved the addition of one³⁹ non-Canadian service to the digital Lists since the issuance of the last Broadcasting Policy Monitoring Report in December 2004.
- There are currently 108 non-Canadian services, broadcasting in 23 languages from approximately 22 countries, authorized for distribution in Canada by digital distributors. Of these services, 75 are also authorized for distribution by broadcasting distribution undertakings on an analog basis.
- The following table lists the non-Canadian satellite services currently authorized for distribution in Canada⁴⁰.

³⁹ RAI International 2 is an Italian-language general interest programming service.

⁴⁰ Carriage of non-Canadian eligible satellite services is at the discretion of the BDU. In some cases, distribution is authorized under specific terms or conditions.

Table 3.17: Non-Canadian satellite services authorized in Canada

Country of origin/Non-Canadian service name	Language	Authorized for	
		Analog & digital	Digital only
Australia			
Network TEN	English		✓
Europe			
France, Eurochannel	Spanish / French / English / Italian / Portuguese		✓
France, EuroNews	English / French		✓
France, Eurosportsnews	English		✓
France, KTO	French		✓
France, Mezzo	French		✓
France, Paris-Première	French		✓
France, Planète	French		✓
France, Radio-France outre-mer (RFO1)	French	✓	
France, Trace TV (formerly Tropic)	French		✓
Germany, Deutsche Welle	German	✓	
Germany, German TV	German		✓
Great Britain, BBC World	English	✓	
Great Britain, Muslim Television Ahmadiyya	Arabic/Chinese/French/Russian/Spanish/Swahili/Urdu		✓
Ireland, TV3 Republic of Ireland	English		✓
Italy, RAI International 2	Italian		✓
Netherlands, BVN-TV	Dutch		✓
Poland, TV Polonia	Polish	✓	
Romania, Romanian Television International (RTVI)	Romanian		✓
Spain, Grandes Documentales de TVE	Spanish		✓
Yugoslavia, RTV Palma	Hungarian/Serbian		✓
Japan			
TV Japan	Japanese	✓	
Latin America ⁴¹			
Argentina, Utilisima	Spanish		✓
Latin America, Canal SUR	Spanish		✓
Latin America, CineLatino	Spanish		✓
Middle East & North Africa			
Qatar, Al Jazeera	Arabic		✓
Saudi Arabia, Art Movies	Arabic		✓
New Zealand			
TV3 Television Network	English		✓
TV4 Television Network	English		✓

⁴¹ From a variety of Latin American countries including Mexico, Argentina, Columbia, Chile, Venezuela and Peru

Country of origin/Non-Canadian service name	Language	Authorized for	
		Analog & digital	Digital only
United States			
ABC - 8 independent stations*	English	✓	
CBS - 9 independent stations*	English	✓	
FOX - 7 independent stations*	English	✓	
NBC - 8 independent stations*	English	✓	
PBS - 7 independent stations*	English	✓	
8 Superstations*	English	✓	
WUAB-TV, Cleveland (Independent)	English	✓	
American Movie Classics	English	✓	
ART America	Arabic	✓	
Arts and Entertainment Network (A&E), The	English	✓	
Black Entertainment Television (BET)	English	✓	
Bloomberg Television	English		✓
Cable News Network (CNN)	English	✓	
Cable Satellite Public Affairs Network (C-Span)	English	✓	
Comedy Central	English	✓	
Consumer News and Business Channel (CNBC)	English	✓	
Court TV	English	✓	
CNN Headline News (CNN-2)	English	✓	
Discovery Wings	English		✓
Eternal Word Television Network (EWTN)	English		✓
Filipino Channel, The	Tagalog (Filipino)	✓	
Fox News	English		✓
Game Show Network	English	✓	
Golf Channel, The	English	✓	
Learning Channel, The	English	✓	
Lifetime Television	English	✓	
MSNBC	English		✓
NFL Network	English		✓
Oxygen Network	English		✓
Playboy TV	English	✓	
Scandinavian Channel, The**	Multilingual – language of originating countries ⁴²		✓
Silent Network, The	English	✓	
Speed Channel	English	✓	
Spike TV	English	✓	
Weather Channel (TWC), The	English	✓	
Turner Classic Movies	English	✓	
TV Land	English		✓
WMNB-TV: Russian-American Broadcasting Company	Russian	✓	

* Refer to Appendix A of *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2005-51, 13 May 2005 for listing of each station.

** In Broadcasting Public Notice 2005-37 dated 22 April 2005, the Commission called for comments on its proposal to remove the Scandinavian Channel from the Lists, stating that, to the best of its knowledge, the service is no longer in operation.

⁴² Denmark, Finland, Iceland, Norway and Sweden

IV. Broadcasting distribution

A. Promoting effective competition

- The Commission's policy to promote competition among broadcasting distribution undertakings (BDUs) was first set out in *New regulatory framework for broadcasting distribution undertakings*, Public Notice CRTC 1997-25, 11 March 1997 (Public Notice 1997-25). The *Broadcasting Distribution Regulations*¹ (the BDU Regulations) serving to implement this policy came into effect 1 January 1998. The BDU industry has been experiencing a fundamental shift towards increased competition since the adoption of the regulatory framework in 1997 and the Commission has made a number of changes to its regulatory framework in response to this new environment.
- The Commission had exempted small BDUs under certain conditions to allow them to operate with increased efficiency and reduced expenses in order to compete more effectively in *Exemption order respecting cable systems having fewer than 2,000 subscribers*, Public Notice CRTC 2001-121, 7 December 2001 (Public Notice 2001-121), *Exemption order respecting radiocommunication distribution undertakings (RDUs)*, Broadcasting Public Notice CRTC 2002-45, 12 August 2002 (Public Notice 2002-45), *Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers*, Broadcasting Public Notice CRTC 2003-23, 30 April 2003, and *Exemption order respecting cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers; and Amendment to the Broadcasting Distribution Regulations*, Broadcasting Public Notice CRTC 2004-39, 14 June 2004 (Public Notice 2004-39).
- In Public Notice 2001-121, the Commission identified 1,583 cable distribution undertakings having fewer than 2,000 subscribers. To date, 1,417 Class 3 cable licensees have been granted exemption status. According to the Canadian Cable Telecommunications Association's (CCTA) *2003-2004 Annual Report*, there were 583,532 subscribers to class 3 cable systems as of September 2003.
- Of the 103 cable distributors serving between 2,000 and 6,000 subscribers that might be eligible for exemption from licensing and regulation identified in Public Notice 2004-39, all but 27 had been granted exemption status as of 30 April, 2005. In addition, five Class 1 cable distribution undertakings having fewer than 6,000 subscribers had also been granted exemption status as of the same date.
- Subscription Television systems (STV) provide over-the-air television service to small (rural or remote) communities in underserved areas. These undertakings broadcast signals in an encoded or scrambled mode by means of low-power (about 20 watts) transmitters. In Public Notice 2002-45, the Commission issued an exemption order affecting most of these undertakings.

¹ *Proposed Broadcasting Distribution Regulations*, Public Notice CRTC 1997-84, 2 July 1997, and *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150, 22 December 1997.

- In August 2004, the Commission concluded a review of its winback rules that prohibit the targeted marketing by incumbent cable companies of customers who have cancelled basic cable service. In *Changes to the winback rules for broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-62, 13 August 2004, the Commission determined that the winback rules would be more effective if they were focused on areas where a truly competitive broadcasting distribution market has yet to emerge. Accordingly, the Commission eliminated the winback rules for single-unit dwellings and for cable systems that have fewer than 6,000 subscribers. The Commission also introduced additional winback rules to govern the conduct of incumbent BDUs with 6,000 or more subscribers in their dealings with residents of multiple-unit dwellings.
- In *Auditing of distributor subscriber information by programming services*, Broadcasting Public Notice CRTC 2005-34, 18 April 2005, the Commission issued a set of guidelines to ensure that programming services are able to obtain reasonable access to information held by BDUs regarding subscribers to their services.

1 Subscriber levels of incumbent and alternative BDU delivery systems

Table 4.1: Number of basic subscribers (000)

	Cable, class 1*		DTH		MDS & STV		Total	
2000	6,951	87.8%	880	11.1%	86	1.1%	7,917	100.0%
2001	6,857	81.0%	1,520	18.0%	88	1.0%	8,465	100.0%
2002	6,702	76.8%	1,960	22.5%	59	0.7%	8,721	100.0%
2003	6,581	74.9%	2,152	24.5%	50	0.6%	8,783	100.0%
2004	6,625	74.1%	2,277	25.5%	39	0.4%	8,939	100.0%

Note: 2000 to 2003 figures have been updated to reflect current aggregate August 31 results.

* In this instance and throughout the document references to class 1 BDUs and class 1 cable BDUs include Digital Subscriber Line (DSL) results.

Source: CRTC financial database

- Class 1 cable licensees continue to maintain the bulk of subscriber market share. Competition from direct-to-home (DTH) has reduced the overall share of Class 1 cable licensees from 88% in 2000 to 74% in 2004.
- DTH subscribership increased by 125,000 in 2004. This represents an increase of 5.8% in 2004 for a total market share of 25.5%. The rate of growth of DTH is slowing, from 29% in 2002 to 6% in 2004.
- Digital Subscriber Line (DSL) undertakings distribute programming to subscribers through a telephone line or "copper twisted-pair." Digital modulation techniques permit the transmission of voice, high-speed data and video on the same copper twisted-pair. Currently Aliant Telecom Inc. (Aliant), Bell Canada (Bell), MTS Communications Inc. (MTS), Saskatchewan Telecommunications (SaskTel) and Telus Communications Inc. (TCI) are licensed as Class 1 BDUs to provide service using DSL technology.

B. Ensuring contributions to Canadian programming and local expression

- The BDU Regulations require that all Class 1 and Class 2 cable licensees², as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of their gross annual revenues derived from broadcasting activities to support Canadian programming. Contributions to Canadian programming are made through the Canadian Television Fund (CTF)³ and other independent production funds, as well as through contributions to local expression.
- The BDU Regulations require that a minimum of 80% of the required contribution be directed to the CTF, with up to 20% directed to one or more independently administered production funds, other than the CTF. The Commission's *Contributions to Canadian Programming by Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-98, 22 July 1997, as well as two subsequent public notices⁴, set out the criteria to be met by such independently administered funds.

1. Contributions to programming funds

Table 4.2: Contributions to programming funds

Contributions to programming funds (\$ 000,000)															
Class & subscriber level	CTF					Independent Funds					Total CTF & Other Funds				
	00	01	02	03	04	00	01	02	03	04	00	01	02	03	04
Class 1 > 20,000	66	70	70	64	67	8	7	7	16	17	74	77	78	80	84
Class 1 < 20,000	5	5	4	3	1	1	1	1	1	0	5	5	5	4	1
DTH, MDS & SRDU*	15	27	31	47	54	3	6	7	11	13	19	33	37	58	67
Total	86	102	105	114	122	12	14	15	28	30	98	116	120	142	152

Note: Based on August 31 of each year.

* SRDU: Satellite Relay Distribution Undertaking

Source: CRTC financial database

- As Class 2 cable systems have largely been granted exemption status, they are not required to file annual returns, including their contributions to programming funds, with the Commission.
- Several Class 1 cable systems passed the 20,000 subscriber mark in 2004 and some Class 1 cable systems serving fewer than 6,000 subscribers were exempted and ceased to file annual returns in 2004, accounting for the difference in CTF contributions reported between 2003 and 2004.

² Includes Digital Subscriber Line (DSL)

³ The CTF is the successor to the Canadian Television and Cable Production Fund.

⁴ *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2003-38, 16 July 2003, and *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-21, 31 March 2004.

2. Total community channel expenses

Table 4.3: Community channel expenses for class 1 cable systems

Total community channel expenses (\$ 000)					
	2000	2001	2002	2003	2004
Class 1 > 20,000	58,540	53,870	53,299	53,530	58,417
Class 1 < 20,000	13,169	12,826	18,236	15,697	15,975
Total	71,709	66,696	71,535	69,227	74,392

Note: Based on August 31 of each year.

Source: CRTC financial database

- Public Notice 1997-25 introduced flexibility for cable licensees in regard to the manner in which they contribute to Canadian programming and local expression, formerly required through investment in a community channel.
- The BDU Regulations permit Class 1 licensees with fewer than 20,000 subscribers to allocate all of their Canadian programming contributions to local expression.

3. Number of systems maintaining a community channel

- The BDU Regulations no longer require licensees to operate a community channel. Apart from its benefits to the public through local reflection, the community channel provides cable operators with a highly effective medium to establish a local presence and to promote a positive corporate image.
- The following table outlines the number of Class 1 licensees that have reported community channel expenses between 2000 and 2004. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than one undertaking.

Table 4.4: Cable undertaking contributing to community channels

	2000	2001	2002	2003	2004
Class 1 > 20,000	72	72	70	66	65
Class 1 < 20,000	74	73	74	80	67

Note: Based on August 31 of each year.

Source: CRTC financial database

C. Affordability of basic service rates

- The following table presents the average basic service monthly rates for the last five years for Class 1 cable licensees.

Table 4.5: Average cable basic service monthly rates (\$)

Distribution type	2000	2001	2002	2003	2004
Class 1	19.50	20.16	20.05	21.51	22.26

Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.

Source: CRTC financial database

- The monthly rates are based on the rates provided by the distributors in their August 31st annual returns to the Commission. The average monthly rates are weighted to account for subscriber numbers.

**Table 4.6: Average basic service monthly rates by province
Cable – class 1 undertakings (\$)**

Province	2000	2001	2002	2003	2004
N.L.	19.82	19.94	20.16	21.99	23.99
P.E.I.	20.72	20.72	20.72	20.72	20.72
N.S.	16.54	16.55	16.53	16.61	16.49
N.B.	19.10	19.19	20.28	22.94	23.99
Quebec	21.64	21.61	21.74	21.56	21.66
Ontario	19.48	20.98	20.58	21.66	22.75
Manitoba	14.92	15.33	15.34	20.99	21.38
Saskatchewan	18.39	18.89	18.88	20.31	21.05
Alberta	18.54	18.72	18.73	21.86	22.34
B.C.	18.39	18.49	18.57	21.84	22.82

Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.

Source: CRTC financial database

- With the introduction of the BDU Regulations in 1997, the Commission established a process allowing for the deregulation of the basic rates of incumbent Class 1 undertakings. New entrants are no longer rate regulated, nor are Class 2 and Class 3 undertakings.
- Incumbent Class 1 undertakings can qualify for rate deregulation if they meet a two-pronged test:
 - if the basic service of one or more licensed competitors is accessible to 30% or more of households in the incumbent's service area (this condition is currently deemed to be met due to the availability of DTH services); and
 - if the cable incumbent can demonstrate that it lost 5% or more of its basic subscribers since competition entered its licensed area.
- By the end of August 2004, rate deregulated Class 1 undertakings accounted for approximately 93% of all Class 1 basic cable subscribers.

D. Ensuring a financially strong sector

1. Revenues

Table 4.7: BDU revenues (\$ 000,000)

	2000	2001	2002	2003	2004
Basic programming revenue					
Revenue obtained from the basic programming service packages provided by distributors.					
Cable (Class 1)	1,710	1,693	1,664	1,709	1,806
DTH, MDS, STV	53	91	280	356	458
Total	1,763	1,784	1,944	2,065	2,264
Non-Basic programming revenue					
Revenue derived from discretionary programming service packages provided by distributors (programming services not on the basic service).					
Cable (Class 1)	1,255	1,295	1,360	1,394	1,472
DTH, MDS, STV	325	575	650	811	871
Total	1,580	1,869	2,009	2,205	2,343
Non-programming revenue					
Revenue derived from exempt services and non-programming services such as the Internet.					
Cable (Class 1)	189	440	685	1,053	1,268
DTH, MDS, STV	9	13	16	36	28
Total	198	453	702	1,089	1,296
Total revenue					
Includes revenue derived from programming and non-programming services.					
Cable (Class 1)	3,154	3,427	3,709	4,156	4,546
DTH, MDS, STV	388	679	946	1,204	1,357
Total	3,542	4,106	4,656	5,360	5,903

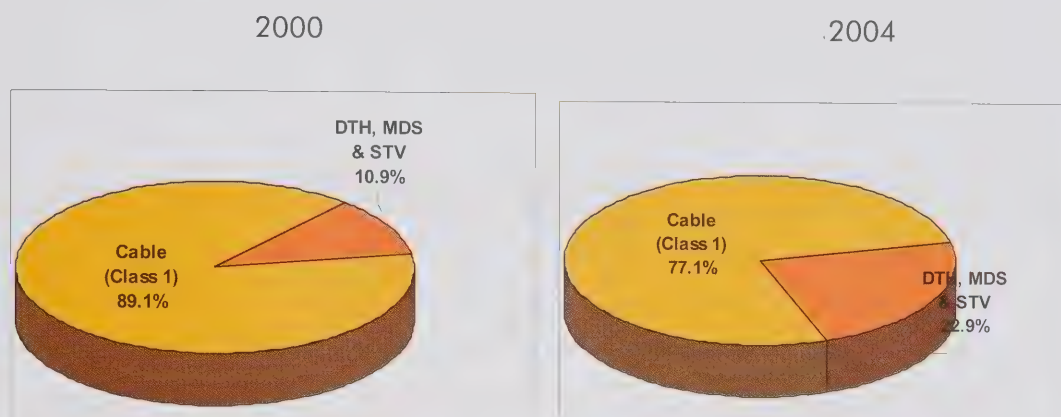
Note: 2000 to 2003 figures have been updated to reflect current aggregate August 31 results.

Source: CRTC financial database

- The BDU industry as a whole has continued to grow. In 2004 total revenues increased by over \$500 million.
- Class 1 cable licensees realized a revenue increase of about \$400 million in 2004, a 9.4% increase over 2003. The growth in revenues since 2000 is due primarily to the growth in non-basic programming revenues (16%) as well as non-programming revenue (78%). In fact, non-programming revenues contributed to 28% of total Class 1 cable licensee revenues in 2004 compared to 6% in 2000.
- DTH, MDS and STV providers reported increased revenues of 12.8% in 2004.

- The charts below illustrate the changes in the share of total BDU revenues from 2000 to 2004.

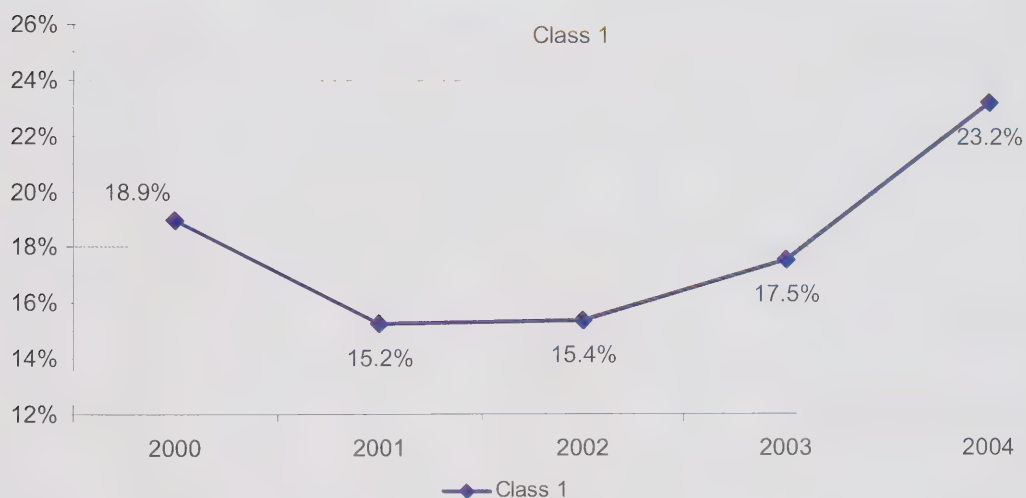
Chart 4.1: Distribution of total revenues



Note: 2000 percentages have been updated to reflect current aggregate results.
Source: CRTC financial database

2. Profit before interest and taxes (PBIT) margins, Class 1 undertakings

Chart 4.2: PBIT margins



Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.
Source: CRTC financial database

- The chart above shows the PBIT margins for Class 1 undertakings based on the reported results from all programming and non-programming services.
- The PBIT margin for Class 1 undertakings increased to 23.2% in 2004. The increase was the result of continued revenue growth, a reduced rate of growth in operating expenses and a decrease in depreciation expenses.

3. Return on investment - Class 1 undertakings

Chart 4.3: Return on average net fixed assets (RANFA)



Note: 2000 to 2003 figures have been updated to reflect current August 31st aggregate results.
Source: CRTC Financial Database

E. Top Canadian distributors

Table 4.4: Top Canadian distributors and number of basic subscribers⁽¹⁾

Corporations	Number of subscribers (000)			% of total – All Canada		
	2002	2003	2001	2002	2003	2004
Rogers Cable Inc.	2,252	2,235	2,202	25%	25%	24%
Shaw Communications Inc.	1,997	2,012	2,020	22%	22%	22%
Bell ExpressVu LLP. ⁽²⁾	1,200	1,343	1,449	13%	15%	16%
Vidéotron Ltée ⁽³⁾	1,442	1,288	1,291	16%	14%	14%
Star Choice Television Network Inc. ⁽⁴⁾	760	809	828	8%	9%	9%
Cogeco Cable Inc.	818	816	723	9%	9%	8%
Total – Top Canadian distributors	8,469	8,503	8,519	93%	93%	94%
Total – All Canada	9,075	9,096	9,054	100%	100%	100%

Sources: CRTC Financial Database and Distributor information (as at August 31st of each year)

(1) Includes both analog and digital subscribers. Excludes subscribers to exempted systems.

(2) Bell ExpressVu LLP. is controlled by BCE Inc.

(3) Quebecor Media Inc. acquired control of Vidéotron Ltée in 2002.

(4) Star Choice Television Network Inc. is controlled by Shaw Communications Inc.

F. Promoting digital technology

Table 4.9: Number of subscribers receiving digital services

Number of digital subscribers (000)							
Distribution type	Total			English		French	
	Number	% of Total	Growth	Number	Growth	Number	Growth
Sept. 2004			June 03 to Sept. 04		June 03 to Sept. 04		June 03 to Sept. 04
Digital cable	2,054.0	46%	6%	1,663.9	7%	390.1	4%
DTH *	2,301.4	52%	2%	n/a*	n/a*		
MDS	47.0	1%	-3%	31.7	-1%	15.3	-7%
DSL	48.2	1%	18%	48.2	18%	-	
Total	4,450.6	100%	4%				
June 2004			03 to 04		03 to 04		03 to 04
Digital cable	1,937.8	45%	25%	1,561.7	21%	376.1	48%
DTH *	2,257.4	53%	14%	n/a *	n/a *		
MDS	48.4	1%	-14%	32.0	-10%	16.4	-23%
DSL	40.9	1%	n/a	40.9		-	
Total	4,284.5	100%	19%				
June 2003			02 to 03		02 to 03		02 to 03
Digital cable	1,550.4	43%	34%	1,295.6	31%	254.9	53%
DTH	1,987.5	55%	9%	1,458.6		528.9	
MDS	56.7	2%	-19%	35.5	-16%	21.2	-23%
Total	3,594.6	100%	18%				
June 2002							
Digital cable	1,155.6	38%		989.3		166.3	
DTH	1,825.0	60%		1,339.4		485.6	
MDS	69.9	2%		42.4		27.5	
Total	3,050.5	100%					

* English- and French-language subscriber estimates for DTH were not provided in 2004.

Source: Mediatats

G. Signal theft

Signal theft continues to be a widespread problem within the Canadian broadcasting system. This activity can take many forms, and includes the theft of both cable television and satellite services.

The theft of signals harms Canadians both economically and culturally. From an economic perspective, signal theft deprives the Canadian broadcasting industry of substantial amounts of revenue, weakening the ability of satellite and cable distributors to support their infrastructure and invest in new technologies. Reductions in revenues to cable and satellite distributors, television broadcasters, producers and program rights holders, lessen the ability of broadcasters to acquire and air Canadian programming.

Further, signal theft reduces the contributions made to the CTF, which are tied to the levels of revenues achieved by licensees. CTF provides key financing for distinctively Canadian productions.

The Coalition Against Satellite Signal Theft (CASST) has brought together the entire Canadian broadcasting industry as well as DIRECTV to co-ordinate actions to combat signal theft. Public awareness campaigns, private investigations, civil actions and media activity have helped reduce the growth of this serious problem, but stronger measures are required to eradicate or reduce it significantly.

While amendments to the *Radiocommunication Act* have twice been introduced in Parliament to improve enforcement tools, these have not yet been adopted. CASST is now working with the federal government to develop a new bill to increase penalties under the *Radiocommunication Act*, stop the entry of illegal equipment into Canada, create new offences related to trafficking in illegal software and unauthorized codes, and provide for statutory damages in civil lawsuits.

In the spring of 2004, DIRECTV completed the implementation of a new conditional access system and the swap-out of all access cards for all legitimate subscribers. While grey market users continue to fraudulently obtain DIRECTV services through the use of false U.S. addresses, the black market has been significantly reduced. Both The Dish Network and Bell ExpressVu are also in the process of introducing new conditional access systems. These measures should have a major impact on the level of signal theft in Canada.

Ongoing investigations by law enforcement agencies across Canada have resulted in many dealers in illegal equipment and services being charged, and repeat offenders have been cited for contempt of court. While the number of storefront operations has been greatly reduced as a result, Internet-based operations continue to thrive. Tips from the public and from organizations such as Crime Stoppers have been very helpful in uncovering these less visible operations.

V. Social issues

The Commission's key social policy objectives can be described under four general headings:

- A. Official languages
- B. Diversity
- C. Accessibility
- D. Programming standards

A. Official languages

The broadcasting policy for Canada set out in section 3 of the *Broadcasting Act* (the Act) states, among other things, that the Canadian broadcasting system should reflect Canada's linguistic duality. The objectives set out in section 3(1) of the Act with respect to official languages include the following statements:

- a range of broadcasting services in English and in French shall be extended to all Canadians as resources become available;
- the programming provided by the Canadian broadcasting system should be drawn from local, regional, national and international sources; and
- English- and French-language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements.

In order to meet these objectives, the Commission has undertaken a number of initiatives including:

- making the televised proceedings of the House of Commons more accessible to Canadians in the official language of their choice;
- implementing a policy to increase the availability of specialty services in the official language of the minority to cable subscribers; and
- issuing an action plan and year-end report on achievements and results for the CRTC's implementation of section 41 of the *Official Languages Act*.

1. House of Commons proceedings

- In the Commission's view, the televised proceedings of the House of Commons are vital to the public interest in a democratic society and are an important part of the Canadian broadcasting system. In order to make this programming more accessible to Canadians in the official language of their choice, the Commission, with the exception of the smallest analog cable distributors, has required all cable distribution undertakings, to distribute CPAC and the proceedings of the House of Commons as

part of their basic service and in both official languages throughout Canada since 1 September 2002.¹

- In most instances, cable companies distribute the video channel with the majority official language audio channel, and provide the minority official language service on the same video channel using a technology known as secondary audio programming (SAP). The use of SAP has been criticized and the Governor General in Council, on the recommendation of the Minister of Canadian Heritage, pursuant to paragraph 26(1)(b) of the *Broadcasting Act* has issued a direction in which the Commission is directed to require all cable distribution undertakings, that have 2,000 or more subscribers, to reserve two video channels for the distribution of CPAC and the proceedings of the House of Commons in both official languages.
- DTH distribution undertakings are required to distribute the English- and French-language versions of CPAC and the proceedings of the House of Commons as part of their basic service.
- To ensure that its services are maintained and its programming is improved, CPAC receives \$0.11 per month, per subscriber, for the distribution of both the French- and English-language services. Of this amount, subscribers pay \$0.08 and distributors pay the difference of \$0.03 to fund CPAC's coverage of the proceedings of the House of Commons.

2. Distribution of specialty services in the official language of the minority

- Since 1 September 2001, cable systems have been required to fulfill their obligations stipulated in the Commission's publications *Achieving a better balance: Report on French-language broadcasting services in a minority environment*, Public Notice CRTC 2001-25, 12 February 2001 (Public Notice 2001-25), and *A policy to increase the availability to cable subscribers of specialty services in the minority official language*, Public Notice CRTC 2001-26, 12 February 2001, concerning the availability of programming services in the official language of the minority.
- Public Notice 2001-25 requires that all Class 1 and Class 2 cable distributors using high-capacity digital technology (i.e. 750 MHz nominal capacity or more) offer all Canadian English- and French-language specialty services and at least one pay television service in each official language. This requirement does not include Category 2 digital specialty services and pay-per-view television services.
- All Class 1 and Class 2 cable distributors using lower-capacity digital technology (less than 750 MHz nominal capacity) are required to offer at least one Canadian specialty service in the official language of the minority in either analog or digital mode for

¹ *Amendments to the Broadcasting Distribution Regulations – Distribution of the proceedings of the House of Commons and its various committees*, Broadcasting Public Notice CRTC 2002-72, 19 November 2002.

every ten (Canadian or non-Canadian) programming services distributed in the official language of the majority.

- All Class 3 cable distributors using medium-capacity or high-capacity digital technology (550 MHz or more) are required to distribute at least one Canadian specialty service in the official language of the minority for every ten (Canadian or non-Canadian) programming services distributed in the official language of the majority. Furthermore, a Class 3 system that is fully interconnected to another system is required to provide the same number of Canadian services in the official language of the minority as the system to which it is interconnected, unless it does not have the technical capacity to do so in spite of the interconnection.
- The table below provides some statistics on cable systems with a nominal bandwidth of 750 MHz or higher and cable systems with less than 750 MHz nominal capacity.

Table 5.1: Number of systems and subscribers

	English markets		French markets	
	Number of systems	Number of subscribers	Number of systems	Number of subscribers
Class 1 > 20,000 subscribers				
September 2004				
Nominal bandwidth of 750 MHz or higher	24	2,305,157	4	686,997
Nominal bandwidth of less than 750 MHz	32	2,186,995	5	244,426
March 2004*				
Nominal bandwidth of 750 MHz or higher	21	2,416,303	4	707,282
Nominal bandwidth of less than 750 MHz	35	2,081,945	5	245,228
March 2003				
Nominal bandwidth of 750 MHz or higher	11	1,144,689	4	777,049
Nominal bandwidth of less than 750 MHz	47	3,351,198	5	256,516
March 2002				
Nominal bandwidth of 750 MHz or higher	8	1,085,229	4	855,211
Nominal bandwidth of less than 750 MHz	49	3,428,424	5	289,427

* Four systems were combined into two systems.

Source: March 31st or September 30th CRTC Cable Capacity Reports

3 2005-2006 Action plan: Implementation of section 41 of the *Official Languages Act*²

- Consistent with the Commission's designation under section 41 of the *Official Languages Act* on 22 August 2003, the Commission submitted its report on achievements and results for the year ending 31 March 2005 and its action plan on official languages for fiscal year 2005-2006.

² Copies of the CRTC's 2004-2005 and 2005-2006 Reports are available on the CRTC's website <http://www.crtc.gc.ca/eng/publications/reports.htm>.

- Based on the comments received during the 2004-2005 fiscal year, the Commission put forward specific measures and objectives in order to:
 - continue implementing the recommendations from the CRTC report on broadcasting services in a minority environment in order to:
 - promote access to both English- and French-language television services throughout Canada for minority official-language communities; and
 - encourage broadcasting licensees to continue efforts to increase production and broadcast of regionally produced programs reflecting the realities of those communities;
 - promote dialogue between the CRTC and minority official language communities; and
 - recognize the special role of community radio stations.
- The CRTC will submit a year-end report to the Minister of Canadian Heritage on the achievements and results of the 2005-2006 action plan.

B. Diversity

- The Commission's objective with regard to diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of ethnocultural minorities, Aboriginal peoples and persons with disabilities. Consistent with Section 3(1)(d)(iii) of the Act,

the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society.
- Accordingly, the Commission expects all licensees to reflect the diversity of the markets they serve.
- The Commission has identified two clear objectives for the Canadian broadcasting system with respect to diversity:³
 - The broadcasting system should be a mirror in which all Canadians can see themselves.

³ *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999.

- The broadcasting system should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills.
- In practical terms, the Commission's objectives are to ensure:
 - the accurate reflection of the presence ("who we see" and "who we hear") of ethnocultural minorities, Aboriginal peoples and persons with disabilities, and
 - the accurate, fair and non-stereotypical portrayal ("how we see" and "how we hear") of such groups.
- The Commission is achieving its objectives by licensing services that target specific communities and through expectations with regard to private television broadcasters, private radio broadcasters and the Canadian Broadcasting Corporation (CBC):

1. Services targeted to specific communities

- The Commission continues to license services dedicated to serving specific communities such as:
 - over-the-air ethnic radio and television services
 - ethnic specialty and pay services
 - native radio and television undertakings
 - Aboriginal Peoples Television Network (APTN)
- In Public Notice 2005-17, issued 25 February 2005, the Commission called for comments on establishing a more open-entry approach to licensing applications for Canadian third-language ethnic category 2 services. The Commission is currently reviewing comments received in response to the notice.
- The Commission also authorizes non-Canadian third-language services for distribution in Canada, subject to certain criteria. In December 2004, the Commission issued Public Notice 2004-96⁴, which sets out a revised approach to the assessment of requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis. The revised policy, which sets out a more open-entry approach to the authorization of non-Canadian third-language general interest services, puts a greater emphasis on expanding the diversity and choice in television services available to underserved third-language ethnic communities in Canada.

⁴ *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004.

2. Private television broadcasters

- The Commission requires broadcasters to describe their plans and activities with respect to the equitable employment⁵ and on-air representation of the four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.
- Since August 2001, the Commission has required television licensees to develop and file detailed corporate plans that include specific commitments to corporate accountability, the reflection of diversity in programming, and the solicitation of effective feedback from viewers.⁶ As of 31 March 2005, sixteen plans have been received from:
 - Alliance Atlantis Broadcasting Inc.
 - Astral Broadcasting Group Inc.⁷
 - Cable Public Affairs Channel Inc. (CPAC)
 - CHUM Limited
 - Consortium de télévision Québec Canada inc. (TV5)
 - Corus Entertainment Inc.
 - Craig Media Inc.⁸
 - CTV Television Inc.
 - Global Communications Limited
 - Groupe TVA inc.
 - Learning & Skills Television of Alberta Limited (ACCESS)
 - MusiquePlus inc.
 - Pelmorex Communications Inc.
 - Rogers Broadcasting Limited
 - The Score Television Network Limited
 - TQS Inc.
 - Vision TV
- As a key tool for monitoring progress in this respect, the Commission requires licensees to file annual reports outlining progress made to achieve the stated goals and any new initiatives undertaken. To date, the Commission has received annual reports from fourteen broadcasters. These reports are available on the Commission's website.⁹
- In August 2001, the Commission called for a joint industry/community task force to sponsor research, identify best practices, and help define the issues and present

⁵ Licensees with 100+ employees report on employment equity directly to HRSDC.

⁶ Broadcasters' corporate plans for cultural diversity are available on the Commission's diversity public file.

⁷ Note that Teletoon/Télétoon adheres to the plan filed by Astral Broadcasting Group Inc.

⁸ In November 2004, the Commission approved the transfer of effective control of Craig's Alberta and Manitoba conventional television stations to CHUM and its Toronto conventional television station to Quebecor Media (*Transfer of effective control of Craig Media Inc. to CHUM Limited; and Acquisition of assets – reorganization of Toronto One*, Broadcasting Decision CRTC 2004-502, 19 November 2004 and *Transfer of effective control of Toronto One to TVA Group Inc. and Sun Media Corporation*, Broadcasting Decision CRTC 2004-503, 19 November 2004).

⁹ http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

practical solutions to ensure that the entire Canadian broadcasting system reflects all Canadians¹⁰. The Task Force for Cultural Diversity on Television (the Task Force) was formed by the Canadian Association of Broadcasters (CAB).

- The Task Force published its report on 15 July 2004. The report includes the results of a landmark quantitative and qualitative study of the state of representation on private Canadian television as well as a recommended set of best practices and industry initiatives.¹¹
- The Commission issued its response to the report in Public Notice CRTC 2005-24, 21 March 2005.¹² The Commission expects the CAB to report annually on its progress in implementing the industry initiatives recommended by the Task Force. In addition, the Commission expects the CAB to review its broadcasting industry codes to determine whether they address concerns identified in the research findings regarding reflection and portrayal and to report on its findings no later than 21 July 2005.
- In Public Notice 2004-2,¹³ the Commission called upon broadcasters to incorporate persons with disabilities into their cultural diversity corporate planning, to be reflected in the annual reports filed by broadcasters beginning with broadcasters' 2004 reports.
- In that notice, the Commission also called upon the CAB to develop and file a plan outlining its proposed process to examine issues surrounding the presence, portrayal and participation of persons with disabilities in television programming. The Commission reviewed the CAB plan and issued its response in a letter dated 15 November 2004. The Commission expects to receive a report from the CAB in July 2005 on its research and consultation processes, as proposed. The Commission also expects that the CAB will provide an implementation plan at that time, setting out the initiatives that will be undertaken.

3. The CBC

- The Commission requires that the CBC include in its annual reports, a description of how it is fulfilling its commitment as noted in Public Notice CRTC 2000-1,¹⁴ to more adequately reflect the multicultural and multiracial nature of Canada and to balance the representation of these groups on air in a manner that realistically reflects their

¹⁰ *Representation of cultural diversity on television – Creation of an industry/community task force*, Public Notice CRTC 2001-88, 2 August 2001.

¹¹ The Task Force report, *Reflecting Canadians: Best Practices for Cultural Diversity in Private Television*, is available on the CAB website.

¹² *Commission's response to the report of the Task Force for Cultural Diversity on Television*, Broadcasting Public Notice CRTC 2005-24, 21 March 2005.

¹³ *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.

¹⁴ *A distinctive voice for all Canadians: Renewal of the Canadian Broadcasting Corporation's licences*, Public Notice CRTC 2000-1, 6 January 2000.

participation in Canadian society, and that will help to counteract negative stereotypes.

4. Private radio broadcasters

- In the *Commercial Radio Policy*, the Commission encouraged radio broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.
- The Commission continues to initiate discussions with applicants about cultural diversity in radio broadcasting at competitive licensing hearings and at licence renewals.

C. Accessibility

- Section 3(1)(p) of the Act states that “programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose.”

1. Access for persons who are hearing impaired

- Access for persons who are deaf or hearing impaired is provided through closed captioning (CC): the on-screen textual representation of the audio component of a program, which is generally presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.
- The Commission generally requires English-language conventional and specialty services to caption 90% of their programming, including 100% of their news programming, by condition of licence.
- With regard to French services, the Television Policy stated that French-language broadcasters should have requirements similar to English broadcasters. Increased obligations are being implemented at individual licence renewals.
- The Commission also expects licensees to focus on improving the quality, reliability and accuracy of closed captioning, and to work with representatives of the hearing impaired community to ensure that captioning continues to meet their needs.
- The Commission notes that the CAB has developed a Closed Captioning Manual which it encourages its English-language broadcasters to use.
- In addition, the CBC/SRC has developed *The CBC Captioning Style Guide* and the *Normes de sous-titrage* which its services use.

- Following the renewal of 21 French-language television stations in 2004, the Commission required that SRC, TVA and TQS report annually to the Commission on the progress made toward improving the quality and quantity of closed captioning. The Commission also required TVA and TQS to provide the Commission their internal standards on caption quality, and to work with the CAB to develop standards and procedures respecting closed captioning for French-language television broadcasters.

2. Access for persons who are visually impaired

- Access for persons who are blind or visually impaired is provided through audio description or video description (or described video programming).
- Audio description is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission expects licensees to provide audio description wherever appropriate.
- Described video programs have narrated descriptions of key visual elements that are timed to occur during lapses in dialogue. Description is normally provided on the secondary audio programming (SAP) channel. Programming such as drama, documentary and children's programs best lend themselves to described video.

Current requirements to provide described video programming

- Major conventional stations are:
 - required by condition of licence to describe a minimum amount of Canadian programming generally starting at 2 hours per week and eventually reaching 4 hours per week.
 - expected to broadcast described versions of programming wherever available.
- Pay and specialty services renewed since 2001 are:
 - expected to broadcast described versions of programming wherever available.
 - 6¹⁵ of the specialty services renewed in January 2004 are required by condition of licence to describe a minimum of 2 hours per week (starting 1 September 2005) and increasing to 3 hours per week (beginning 1 September 2008).

¹⁵ History Television, Space: The Imagination Station, The Comedy Network, Teletoon/Télétoon, Treehouse TV, Prime TV. See Public Notice 2004-2 *Introduction to Broadcasting Decisions 2004-6 to 2004-27 renewing the licences of 22 specialty services*, 21 January 2004.

- Distributors
 - In Public Notice 2005-18, 25 February 2005, the Commission reminded Class 1 cable operators and DTH providers of their obligation to pass through all described video programming being provided to them by programming services.¹⁶ In that notice, the Commission also called for comments on the requirements for the pass-through of described video programming on smaller BDUs, specifically Class 2 and Class 3 systems and MDS undertakings.

3. National reading services

- VoicePrint and La Magnétothèque are national reading services which were licensed in 1990 to provide programming of benefit to persons who are blind, visually-impaired or print-restricted. These services provide full-text reading of stories, information, news and features published by a variety of newspapers, magazines and periodicals.
- VoicePrint has mandatory carriage in English markets pursuant to an order issued under section 9(1)(h) of the Act.¹⁷ Cable companies distributing VoicePrint on an analog basis distribute it on CBC Newsworld's SAP channel. Multipoint distribution system (MDS) licensees, direct-to-home (DTH) satellite distributors and cable companies distributing Voiceprint on a digital basis, distribute it on an audio channel located near a CBC channel.
- In its renewal decision in January 2004,¹⁸ VoicePrint was given a \$0.03 rate increase in order to fund the licensee's proposals to increase the amount of local, regional, and original programming broadcast on VoicePrint as well as to provide persons who are blind or who have visual impairments with easier access to the service through expanded local program centres and an expanded outreach program.

D. Programming standards

- The Commission is required, pursuant to section 5(1) of the Act, to regulate and supervise the Canadian broadcasting system with a view to implementing the broadcasting policy set out in section 3(1) of the Act. Section 3(1) sets out an extensive declaration of the broadcasting policy for Canada, listing a number of policy objectives that speak to programming standards. Section 3(1)(d)(i) declares that the Canadian broadcasting system should "serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada." Section 3(1)(d)(ii) states

¹⁶ Public Notice CRTC 2005-18 *Commission requirements for the pass-through of video description – Call for comments on the obligations of smaller broadcasting distribution undertakings.*

¹⁷ *Broadcasting Distribution Order*, Decision CRTC 2000-380, 11 September 2000 and *Broadcasting Distribution Order – Erratum: Distribution Order 2000-1*, Decision CRTC 2000-380-1, 21 September 2000.

¹⁸ *VoicePrint – Licence renewal*, Broadcasting Decision CRTC 2004-28, 21 January 2004.

that the Canadian broadcasting system should “encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity.” Section 3(1)(d)(iii) states that the Canadian broadcasting system should, through its programming and employment opportunities arising out of its operations, “serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights.” Section 3(1)(g) states that “the programming originated by broadcasting undertakings should be of high standard.”

- The Commission is required to balance the achievement of these objectives against the requirement to apply the Act in a manner consistent with freedom of expression and journalistic, creative and programming independence enjoyed by broadcasting undertakings as set out in Section 2(3) of the Act. Section 3(1)(h) of the Act states that the broadcasters themselves have a responsibility for the programs they broadcast.
- A key mechanism for achieving these objectives is through self-regulation. The industry must abide by the following industry codes,¹⁹ some of which apply as a result of the Commission’s regulations, some by condition of licence and some as a result of membership in the Canadian Broadcast Standards Council (CBSC), Advertising Standards Canada (ASC) or the Cable Television Standards Council (CTSC):
 - Advertising Standards Canada (ASC) Canadian Code of Advertising Standards
 - Broadcast Code for Advertising to Children
 - Cable Television Community Channel Standards
 - Cable Television Customer Service Standards
 - CAB Code of Ethics
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CBC Guidelines on Sex-Role Portrayal
 - Code for Broadcast Advertising of Alcoholic Beverages
 - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services
 - Pay Television and Pay-Per-View Programming Code Regarding Violence
 - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of Ethics
- As stated in Public Notice 2005-24, the Commission expects the CAB to report on its findings with respect to its review of industry codes to ensure that the self-regulatory system is in tune with, and effective in responding to, the concerns of Canada’s diverse communities regarding their portrayal on Canadian television, as expressed in the Task Force’s report.
- The Commission expects any discretionary services broadcasting adult programming to adhere to the adult programming provisions contained within *Industry Code of*

¹⁹ Links to these codes are available on the Commission’s website www.crtc.gc.ca under Industries at a Glance.

*Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services.*²⁰ The Code includes a comprehensive section specifically addressing adult programming which provides clear guidance for broadcasters regarding the classification and scheduling of adult films. Furthermore, the Commission expects all licensees that distribute adult programming to develop internal policies for the broadcast of adult programming to be submitted at the time of licensing, licence renewal or in the event of a complaint.

1. Complaints

- The Commission frequently receives requests for information, comments on procedural issues and complaints from the public, via e-mail, telephone and letter. The following table outlines the overall number of contacts from the public and provides a breakdown of contacts related to broadcasting matters in general and broadcasting complaints that the Commission received on an annual basis from 1 September 2001 to 31 August 2004, and during the 6-month period of 1 September 2004 to 31 March 2005.

Table 5.2: Number of contacts by public

	1 September to 31 August			1 Sep to 31 Mar.
	2001-02	2002-03	2003-04	2004-05
Overall contacts by public ²¹	58,487	53,382	55,386	38,007
Broadcasting matters only	26,881	24,770	18,273	14,587
Broadcasting complaints only	12,425	11,581	10,575	5,805

Source: CRTC Correspondence Tracking System

- The following table provides representative samples of the types of broadcasting complaints that the CRTC received during the same time periods, with respect to radio, television, specialty, pay and PPV services. The table also provides the number of referrals that were made by the CRTC to the CBSC for complaints which fell within the CBSC's mandate.

²⁰ *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services*, Broadcasting Public Notice CRTC 2003-10, 6 March 2003.

²¹ The tracking system counts multiple contacts from the same client on the same complaint as separate units, therefore the actual number of complaints received should be slightly lower.

Table 5.3: Broadcasting complaints by sector, by issue

	1 September to 31 August						1 Sep. to 31 Mar.	
	2001-02		2002-03		2003-04		2004-05	
	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC
Radio								
Abusive comment ²²	85	29	148	57	81	39	42	21
Adult content	66	21	46	23	32	16	21	11
Alcohol advertising	2	-	-	-	1	-	0	0
Gender portrayal	5	2	39	27	1	1	2	1
Offensive comment ²³	241	56	408	255	291	165	211	87
Offensive language ²⁴	71	29	74	24	27	8	33	16
Conventional television								
Abusive comment	39	8	87	31	195	34	194	56
Adult content	360	101	303	145	441	286	180	81
Alcohol advertising	23	0	19	3	17	1	9	0
Gender portrayal	17	3	51	32	14	-	13	2
Offensive comment	214	55	203	62	660	158	206	65
Offensive language	103	41	91	59	48	21	33	11
Television violence	83	22	84	27	99	34	68	25
Specialty channels								
Abusive comment	4	1	25	18	10	2	122	3
Adult content	145	65	110	59	102	62	98	58
Alcohol advertising	-	-	4	-	1	-	0	0
Gender portrayal	3	-	6	4	-	-	0	0
Offensive comment	38	28	35	19	38	21	36	19
Offensive language	19	11	15	7	8	1	28	4
Television violence	13	8	12	9	11	11	13	10
Pay television and pay-per-view services²⁵								
Abusive comment	5	-	-	-	-	-	0	0
Adult content	8	-	11	-	14	-	6	0
Alcohol advertising	-	-	-	-	-	-	0	0
Gender portrayal	-	-	-	-	-	-	0	0
Offensive comment	87	-	-	-	-	-	0	0
Offensive language	2	-	-	-	-	-	0	0
Television violence	1	-	1	-	5	-	0	0

Source: CRTC Correspondence Tracking System

²² Where a complaint alleges that hatred or contempt was incited on-air against one of the groups identified in the Television, Radio, and Specialty Regulations.

²³ Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.

²⁴ Where a complaint alleges offensive language in song lyrics or in spoken word.

²⁵ Note that none of the Pay and Pay-Per-View services are CBSC members so there are no referrals to the CBSC.

2. Canadian Broadcast Standards Council (CBSC)

- The CBSC²⁶ administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of the standards set out in the codes.
 - CAB Code of Ethics
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - RTNDA Canada Code of Ethics
- The Commission deals with complaints that are related to non-member broadcasters and with issues which do not fall within the parameters of the Codes administered by the CBSC.

Table 5.4: Complaints handled by the CBSC

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Files handled by the CBSC	1,212	1,097	620	873	924	1,395
Referred by the CRTC	977	795	283	443	635	941

Source: CBSC annual reports

- The CBSC files annual reports about its activities with the Commission.
- It is important to note that, while not a censor, the Commission is always the final arbiter for matters regarding programming standards. Viewers and listeners may always ask the Commission to consider their complaints either directly, or where they are not satisfied with the results of the self-regulatory process.

3. Advertising Standards Canada (ASC)

- ASC²⁷ is a not-for-profit industry body committed to creating and maintaining community confidence in advertising. ASC responds to advertising complaints from consumers and special interest groups for all media under the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation. In addition, ASC undertakes pre-clearance functions in five industry categories based on applicable legislation, regulations, and/or industry codes and guidelines.

²⁶ www.cbsc.ca

²⁷ www.adstandards.com

Table 5.5: Complaints handled by ASC

	1997	1998	1999	2000	2001	2002	2003	2004
Complaints received by ASC	598	828	1,075	1,143	1,164	1,828	1,133	1,540
Complaints about television ads	185 (31%)	371 (45%)	554 (51%)	595 (52%)	549 (47%)	591 (32%)	588 (52%)	939 (61%)
Complaints about radio ads	30 (5%)	28 (3%)	51 (5%)	48 (4%)	57 (5%)	50 (2.7%)	51 (5%)	90 (6%)

Source: Ad complaints reports

4. Cable Television Standards Council (CTSC)

- The CTSC²⁸ deals with complaints with respect to cable service, such as concerns about quality of service and billing. For the 2003/2004 broadcast year, the CTSC processed 715 complaints, of which approximately 37% were referred to the CTSC from the CRTC.

²⁸ www.ctsc.ca

VI. Internet

A. Computer ownership by Canadian households

Table 6.1: Personal computer ownership rates of Canadian households

			March				December
1998	1999	2000	2001	2002	2003	2004	2004
49%	53%	55%	63%	64%	64%	68%	71%

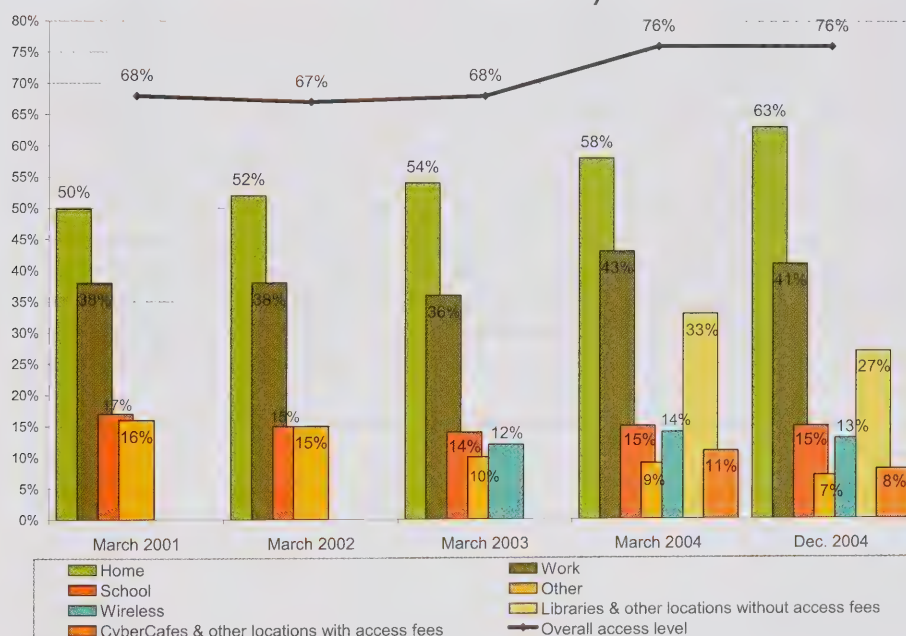
Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 1998 to 2004 spring editions

- Overall personal computer ownership rates continue to grow, increasing by 3% from March 2004 to December 2004. According to CyberTRENDS, significant ownership increases were noted among women (4%), individuals between 55 and 64 years of age (9%), and in households with an income under \$20,000 (7%).
- Income continues to be a determining factor in computer ownership. In December 2004, 93% of households with an income over \$80,000 owned computers while 47% of households with an income under \$20,000 owned computers.

B. Internet access by Canadians¹

1. Internet access by location

Chart 6.1: Internet access by location



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions

¹ The CRTC's 2004 Report to the Governor in Council on the Status of Competition in Canadian Telecommunications Markets/Deployment and Accessibility of Advanced Telecommunications Infrastructure and Services contains analysis of Internet access

- Overall Internet access level remained constant from March 2004 to December 2004.
- The percentage of Canadians accessing the Internet from home increased to 63% in December 2004.

Table 6.2: Internet access by household income (%)

Income (\$ 000)	Home			Work			School			Overall		
	2003	March	Dec.	2003	March	Dec.	2003	March	Dec.	2003	March	Dec.
		2004	2004		2004	2004		2004	2004		2004	2004
< 20	25	31	34	11	12	12	14	20	11	36	54	55
20-40	42	45	51	24	23	26	13	16	13	56	65	67
40-60	62	62	69	38	50	43	13	13	13	77	84	85
60-80	72	75	78	55	65	58	15	13	19	88	93	90
80 <	82	78	88	67	74	74	17	14	19	93	91	97
All	54	58	63	36	43	42	14	15	15	68	76	76

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 to 2004 spring editions

- As with computer ownership, lower income groups continue to be the least likely to have access to the Internet. However, in March 2004 there was a significant increase in the percentage of lower income groups accessing the Internet overall.

Table 6.3: Internet access by education (%)

Education	Home			Work			School			Overall		
	2003	March	Dec.	2003	March	Dec.	2003	March	Dec.	2003	March	Dec.
		2004	2004		2004	2004		2004	2004		2004	2004
< High school	23	28	27	6	13	9	6	8	6	30	41	37
High school	45	50	54	22	29	25	8	11	10	59	71	70
Some college/ University	64	66	74	40	45	49	23	23	22	80	85	88
Post secondary	71	68	78	57	61	61	12	14	19	87	88	92
Post graduate	75	83	84	67	70	72	25	21	16	87	93	95
All	54	58	63	36	43	41	14	15	15	68	76	76

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 to 2004 spring editions

- Access to the Internet increases with the level of education.

subscriptions. It is noted that these subscriptions were derived from data provided by the Internet service providers via the CRTC data collection forms for the period ending December 31. The results presented in this report are provided by CyberTRENDS, ComQUEST Research and are based on surveys of Internet users for a period ending March 31 as well as December 31, 2004. The CRTC's December 31, 2004 data was not available at the time this report was prepared.

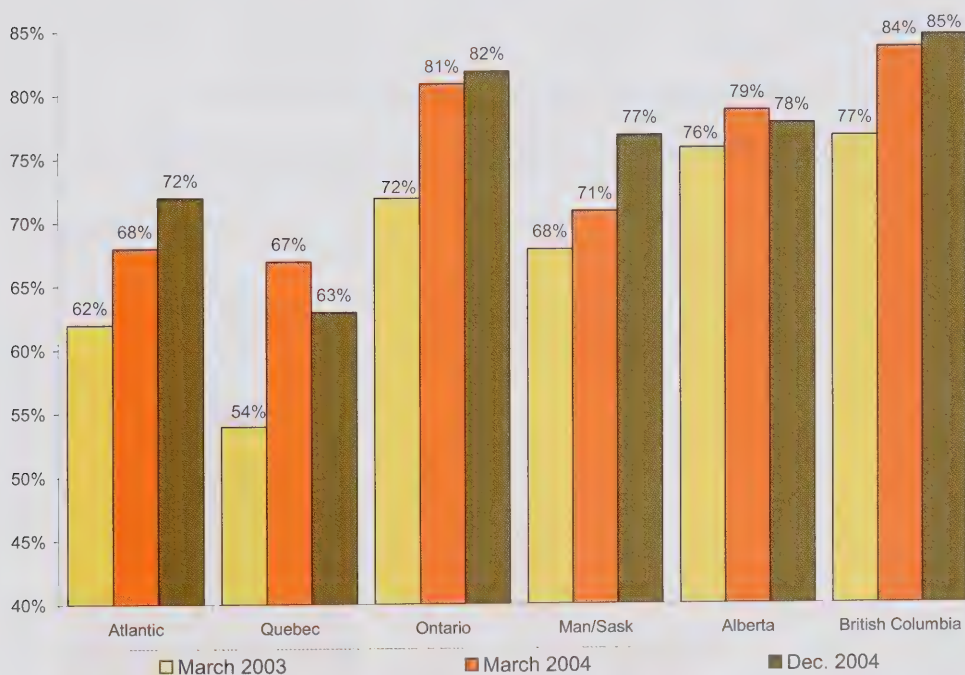
Table 6.4: Internet access by age (%)

Age	Home			Work			School			Overall		
	2003	March 2004		2003	March 2004		2003	March 2004		2003	March 2004	
		Dec. 2004	2004		Dec. 2004	2004		Dec. 2004	2004		Dec. 2004	2004
18-34	68	69	73	47	50	53	35	33	28	89	92	91
35-44	66	70	72	52	57	54	13	14	19	84	88	86
45-54	67	62	68	44	58	52	8	11	13	76	82	82
55-64	45	51	63	28	33	32	6	8	5	58	66	73
65+	22	32	27	5	6	3	1	0	1	26	40	34
All	54	58	63	36	43	42	14	15	15	68	76	76

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 to 2004 spring editions

- As a new medium, the Internet has been more readily adopted by younger households.

Chart 6.2: Penetration rates by region



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 and 2004 spring editions

2. Type of Internet access used at home

Chart 6.3: Dial-up and high-speed Internet access at home

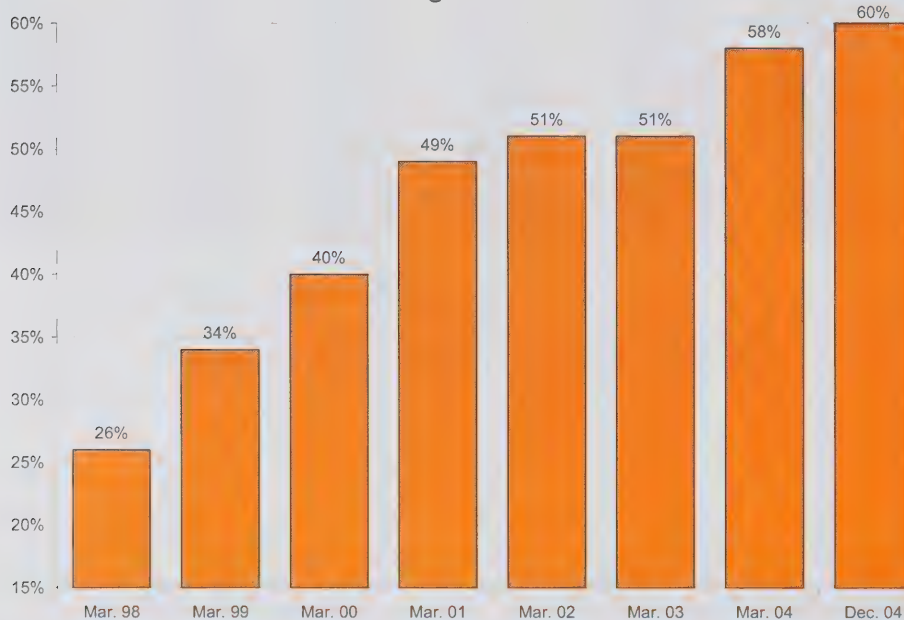


Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions.

- High-speed Internet access at home has risen from 30% in March 2001 to 63% in December 2004.

3. Frequency and duration of Internet use

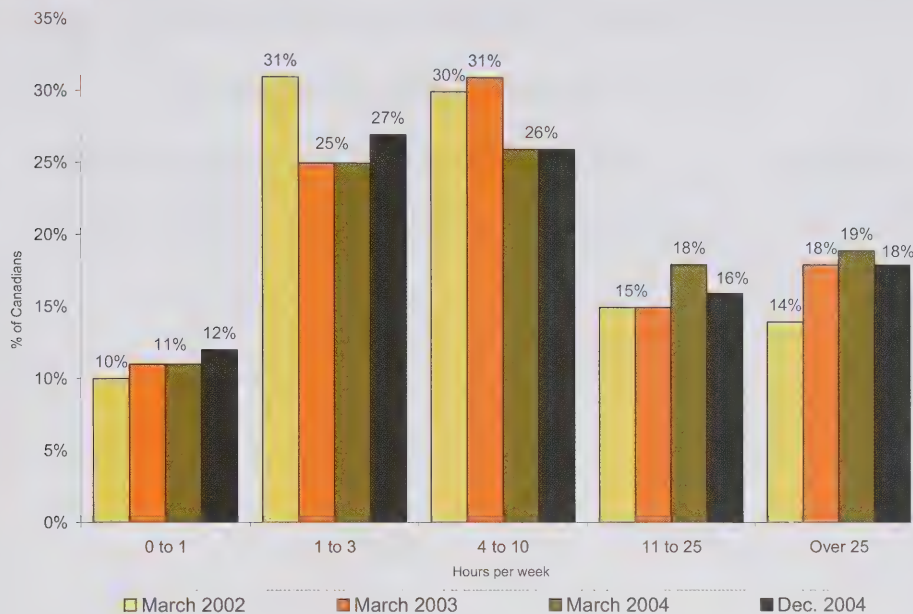
Chart 6.4: Percentage of Canadian adults using the Internet in a given week



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 1998 to 2004 spring editions

- The number of Canadians who reported using the Internet, at least once a week, increased from 58% in March 2004 to 60% in December 2004.

Chart 6.5: Time spent by Canadian adults on the Internet in a given week

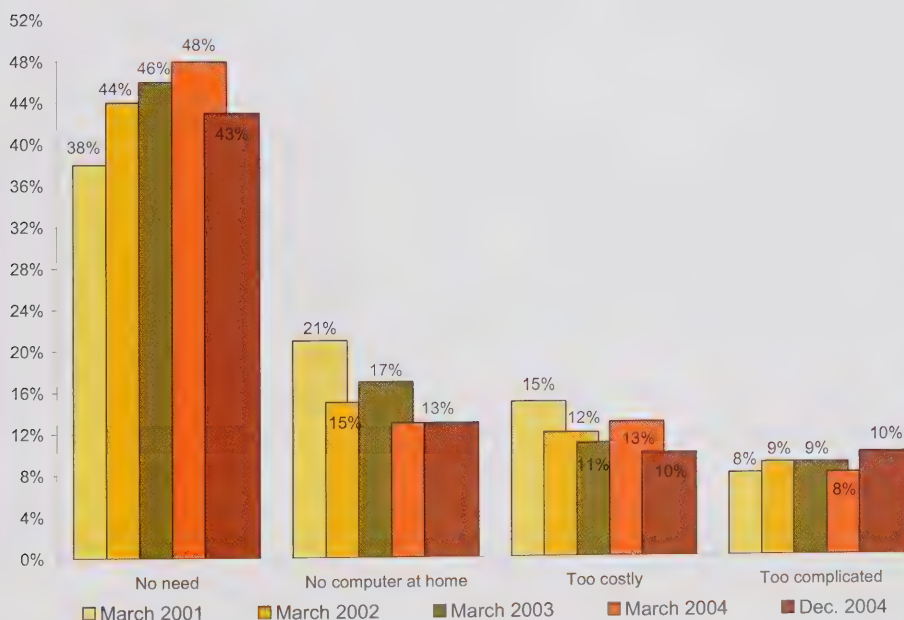


Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2002 to 2004 spring editions

- According to CyberTRENDS, in December 2004, the average Canadian with Internet access connected for an average of 15 hours of Internet use per week.

4. Profile of Canadians without Internet access

Chart 6.6: Major reasons for not having access to the Internet



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions

- The number of Canadians who indicated cost as a reason for not using the Internet decreased from 13% in March 2004 to 10% in December 2004.

5. Internet activities

Table 6.5: On-line activities of Canadians

Activity	% of Canadian adults who connected to the Internet at least once a month									
	Most of the time					Some of the time				
	'01	March '02	'03	'04	Dec. 2004	'01	March '02	'03	'04	Dec. 2004
E-mail	67	69	71	71	70	22	21	17	18	21
Specific sites of interest	62	58	61	57	50	27	32	29	30	35
Search for specific information	58	52	55	54	48	31	39	37	38	41
Research information on services/products	-	25	29	30	27	-	51	47	47	49
Surf or browse	19	21	28	25	25	37	41	38	38	37
Download/Listen to music	13	13	16	9	10	22	19	24	17	23
Download files or software	12	12	15	9	8	30	34	31	28	31
Chat	5	5	8	5	5	12	9	11	12	10
On-line gaming	5	3	6	7	4	8	8	7	9	11
Watch video	2	1	4	3	2	17	14	18	16	19
Listen to radio	4	3	4	4	5	12	11	12	14	19
Shop on-line	-	2	2	2	4	-	14	17	21	24
Download movies	-	-	-	-	1	-	-	-	-	4
Download TV programs	-	-	-	-	1	-	-	-	-	3

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2001 to 2004 spring editions

**Table 6.6: On-Line activities of high-speed users
vs. dial-up users**

Activity	Use most or some of the time					
	High-speed			Dial-up		
	March 2003	2004	Dec. 2004	March 2003	2004	Dec. 2004
Download / Listen to music	53%	32%	41%	32%	21%	25%
Downloading files or software	54%	41%	46%	46%	37%	35%
Chat	26%	20%	17%	16%	15%	11%
Watch video	29%	27%	27%	17%	11%	13%
Listen to radio	20%	23%	30%	12%	13%	16%
Shop on-line	25%	28%	32%	16%	21%	26%
Download movies	-	-	7%	-	-	3%
Download TV programs	-	-	5%	-	-	2%

Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2003 and 2004 spring editions

- High-speed Internet users take advantage of faster data transfer rates, spending more time than dial-up users on bandwidth-intensive activities.

6. The Canadian Internet service provider (ISP) industry

- The following table provides the number of Canadian dial-up and high-speed residential subscribers by Internet service providers (ISP). Only those Internet service providers that include this information in their published quarterly financial reports are listed below.

Table 6.7: Canadian residential subscribers of the largest ISPs

	Dial-up subscribers (000)			High-speed subscribers (000)			Total subscribers (000)		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
Bell ¹	1,031	911	743	909	1,287	1,808	1,940	2,198	2,551
Telus ²	432	352	282	326	469	690	758	821	972
Shaw ³	-	-	-	758	881	1,069	758	881	1,069
Rogers ⁴	-	-	-	541	755	937	541	755	937
Quebecor (Vidéotron) ⁵	-	-	-	265	379	476	265	379	476
Look ⁶	96	83	51	3	3	10	99	86	61
Sprint ⁷	85	66	60				85	66	60
Cogeco ⁸	-	-	-	154	196	262	154	196	262

Notes:

1. Bell: June 30, 2002; June 30, 2003; December 31, 2004

2. Telus: June 30, 2002; June 30, 2003; December 31, 2004

3. Shaw: May 31, 2002; May 31, 2003; November 30, 2004

4. Rogers: June 30, 2002; September 30, 2003; December 31, 2004

5. Quebecor (Vidéotron): June 30, 2002; September 30, 2003; September 30, 2004

6. Look: June 30, 2002; December 31, 2002; June 30, 2004

7. Sprint: June 30, 2002; June 30, 2003; June 30, 2004

8. Cogeco: May 31, 2002; May 31, 2003; November 30, 2004

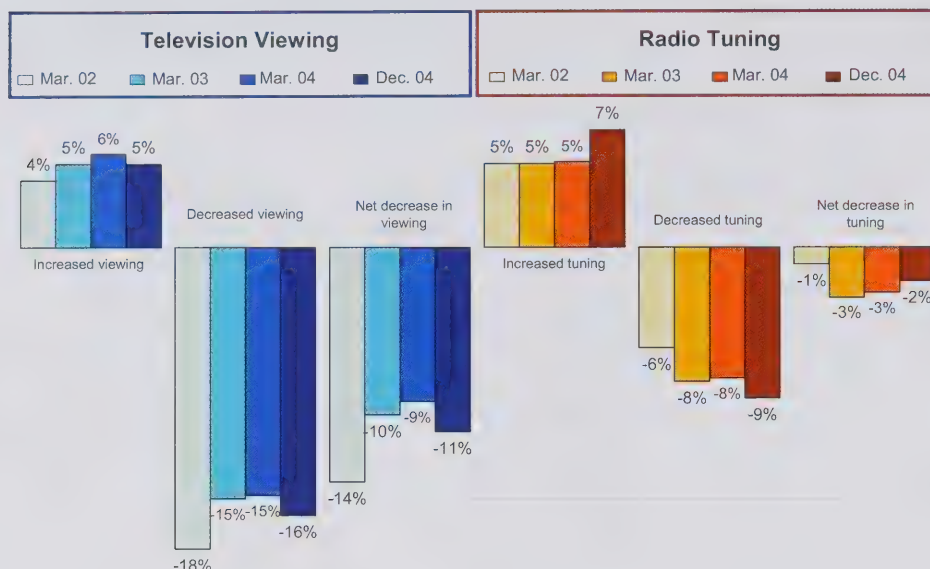
Source: Quarterly financial reports

- In 2004, Bell dominated the Canadian ISP market, with 743,000 dial-up subscribers and just over 1.8 million high-speed subscribers.

C. The effect of Internet use on broadcast media

- CyberTRENDS reports that, in some instances, the Internet has influenced Canadians to decrease or increase their use of broadcast media. Overall, there has been a net decrease in the use of broadcast media, particularly television, commensurate with an increase in Internet use.

Chart 6.7: Percentage of Canadians reporting an effect of Internet use on their use of broadcast media



Source: CyberTRENDS, ComQUEST Research: winter 2005 edition and March 2002 to 2004 spring editions

- Thirty-seven percent of Canadian households with Internet access have a TV in the same room as the computer.
- Of the above households, 57% watch TV while using the Internet either sometimes (31%) or often (26%).

Table 6.8: Listening to radio via the Internet

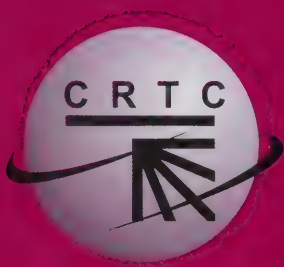
Fall survey	Total hours tuned via the Internet (000)	Share of total tuning (%)
1997	8	0.0
1998	94	0.0
1999	279	0.1
2000	454	0.1
2001	634	0.1
2002	942	0.2
2003	778	0.1
2004	1,285	0.2

Source: MicroBBM, Fall 1997 to Fall 2004, All Canada, Persons 2+

- Data from the BBM Fall surveys indicate that the amount of tuning to Canadian radio stations via the Internet is still insignificant.

Glossary

ASC	Advertising Standards Canada (website: www.adstandards.com)
BBM	BBM Canada (website: www.bbm.ca)
BDU	Broadcasting distribution undertaking
CAB	Canadian Association of Broadcasters (website: www.cab-acr.ca)
Cancon	Canadian content
CASST	Coalition Against Satellite Signal Theft (website: www.casst-ccvss.ca)
CBC	Canadian Broadcasting Corporation (Société Radio Canada) (website: www.cbc.ca)
CBSC	Canadian Broadcast Standards Council (website: www.cbsc.ca)
CC	Closed captioning
CCTA	Canadian Cable Telecommunications Association (website: www.ccta.com)
CPE	Canadian programming expenditures
CRTC	Canadian Radio-television and Telecommunications Commission (website: www.crtc.gc.ca)
CTD	Canadian Talent Development
CTF	Canadian Television Fund (website: www.canadiantelevisionfund.ca)
CTSC	Cable Television Standards Council (website: www.ctsc.ca)
DSL	Digital Subscriber Line
DTH	Direct-to-home
DTV	Digital television
HDTV	High definition television
ISP	Internet service provider
MDS	Multipoint distribution systems
NTSC	National Television Standards Committee
Pay	Pay television service
PBIT	Profit before interest and taxes
PPV	Pay-per-view service
PVR	Personal video recorder
RANFA	Return on average net fixed assets
RDU	Radiocommunication distribution undertaking
SAP	Secondary audio programming
SRC	Société Radio-Canada (Canadian Broadcasting Corporation) (website: www.src.ca)
SRDU	Satellite relay distribution undertaking
STV	Subscription Television systems
VOD	Video on demand



Canadian Radio-television and
Telecommunications Commission

Conseil de la radiodiffusion et des
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Broadcasting Policy Monitoring Report 2006

Radio

Television

Broadcasting distribution

Diversity & social issues

New media

**Broadcasting
Policy
Monitoring
Report
2006**

**Radio
Television
Broadcasting distribution
Diversity and social issues
New media**



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This publication is available electronically: <http://www.crtc.gc.ca>

This publication can be made available in alternative format upon request.

Ce document est également disponible en français.

ISBN # BC9-1/2006E
0-662-43325-4

Introduction

This is the seventh edition of the CRTC's Broadcasting Policy Monitoring Report, which provides an on-going assessment of the impact of CRTC regulations, policies and decisions¹ on the achievement of the objectives of the *Broadcasting Act*. The 2006 version continues to measure the performance of the Canadian broadcasting system. As in the past, we hope that this report will help to foster a more open and better-informed public discussion of broadcasting policy in Canada. The Commission invites parties to use the report to enrich their participation in our regulatory policy and licensing proceedings.

The 2006 edition updates the performance indicators and continues the trends outlined in previous reports. In addition, this year's report outlines the Commission's initiatives to streamline the decision making process and new service standards for processing certain types of broadcasting applications. The television section in the 2006 report provides an expanded review of the Commission's digital television policies and data on the availability of high definition services. The new media section in this year's report introduces data on the usage by Canadians of new technologies and devices.

The data and information used as the basis of the CRTC's policy monitoring is drawn from many sources. These sources include (1) information filed by participants in the normal course of the Commission's hearings and public proceedings; (2) information obtained from Statistics Canada; (3) audience measures from BBM and Nielsen Media Research; (4) the annual financial returns filed by licensees of the CRTC; (5) programming information filed as part of licensees' television program logs; (6) the Commission's ownership records and radio compliance monitoring results; (7) publicly available information, such as annual reports from publicly traded companies, CRTC decisions and public notices; and (8) research undertaken by the CRTC and CyberTRENDS, ComQUEST.

The report is sub-divided into six sections: Overview, Radio, Television, Broadcasting distribution, Diversity and social issues and New media.

Interested parties are welcome to provide comments for improvements or additions to future editions of the report and can do so by forwarding them to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2 or by using our *Complaints and Inquiries* form which is located on our website at www.crtc.gc.ca.

The Broadcasting Policy Monitoring Report is also available electronically at www.crtc.gc.ca/eng/publications/reports.htm.

¹ New Regulatory Framework for Broadcasting Distribution Undertakings, Public Notice CRTC 1997-25, 11 March 1997; Commercial Radio Policy 1998, Public Notice CRTC 1998-41, 30 April 1998; New Media, Broadcasting Public Notice CRTC 1999-84, 17 May 1999, and Telecom Public Notice CRTC 99-14, 17 May 1999; Building on Success - A Policy Framework for Canadian Television, Public Notice CRTC 1999-97, 11 June 1999; Ethnic Broadcasting Policy, Public Notice CRTC 1999-117, 16 July 1999; Exemption order for new media broadcasting undertakings, Broadcasting Public Notice CRTC 1999-197, 17 December 1999; Licensing Framework Policy for New Digital Pay and Specialty Services, Public Notice CRTC 2000-6, 13 January 2000; Campus Radio Policy, Public Notice CRTC 2000-12, 28 January 2000;

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The regulatory framework for the distribution of digital television signals, Broadcasting Public Notice CRTC 2003-61, 11 November 2003;
Incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2004-93, 29 November 2004;
Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the list of eligible satellite services for distribution on a digital basis, Broadcasting Public Notice CRTC 2004-96, 16 December 2004;
Incentives for original French-language Canadian television drama, Broadcasting Public Notice CRTC 2005-8, 27 January 2005;
Reinforcing Our Cultural Sovereignty – Setting Priorities for the Canadian Broadcast System: Second Response to the Report of the Standing, Department of Canadian Heritage, 4 April 2005;
Viewing and expenditure incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2006-11, 27 January 2006;
Regulatory framework for mobile television broadcasting services, Broadcasting Public Notice 2006-47, 12 April 2006.

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I. Overview

A. The CRTC

- The Canadian Radio-television and Telecommunications Commission (CRTC) is an independent public authority in charge of regulating and supervising Canadian broadcasting and telecommunications. It serves the public interest and is empowered and governed by the *Broadcasting Act, 1991* (the Act) and the *Telecommunications Act*. The CRTC also reports to Parliament through the Minister of Canadian Heritage. The Governor in Council may issue to the Commission directions of general application on matters with respect to the objectives of the broadcasting or regulatory policy.
- The Commission strives to strike a balance between its cultural, social and economic objectives, with the wants and needs of Canadian citizens, industry and various interest groups.
- One of the CRTC's mandates is to ensure that programming in the Canadian broadcasting system reflects Canadian creativity and talent, Canada's linguistic duality, multicultural diversity, the special place of Aboriginal people within our society and our social values.
- The CRTC also seeks to ensure that its policy directions for the Canadian broadcasting industry are keeping pace with emerging technologies.
- The Commission fulfils its broadcasting regulatory responsibilities by means of a number of inter-related activities, which include:
 - issuing, renewing and amending licences for broadcasting undertakings;
 - making determinations on mergers, acquisitions and changes of ownership in the broadcasting industry;
 - collaborating with the industry to resolve competitive disputes;
 - developing and implementing regulatory policies with a view to meeting the objectives of the Act;
 - monitoring, assessing and reviewing, where appropriate, regulatory frameworks to meet its policy objectives; and
 - monitoring the programming and financial obligations of broadcasting undertakings to ensure compliance with regulations and conditions of licence.

- A summary of the Commission's activities relating to the Canadian broadcasting industry during the 2005-2006 fiscal year is provided in *CRTC Accomplishments 2005-2006*¹.

B. Diversity of programming in the Canadian broadcasting system

- Section 3(1)(i) of the Act states, in part, that the programming provided by the Canadian broadcasting system should:
 - (i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,
 - (ii) be drawn from local, regional, national and international sources, and
 - (iii) include educational programs and community programs.
- To implement this policy, the Commission endeavours to ensure that Canadians have access to a diversity of programming drawn from a variety of sources.
- The Canadian broadcasting system is comprised of private and public services that provide specialty and general interest Canadian and non-Canadian programming in English and French as well as Aboriginal, multicultural and third-languages. It also makes available a significant number of foreign services.
- The following tables provide a summary of the number of various types of television, radio and audio services that are available in the Canadian broadcasting system. A table summarizing the number of various types of Canadian broadcasting distribution undertakings is also provided.

Table 1.1: Diversity of television services available in Canada

	English language*	French language	Third language	Total
Canadian conventional (over-the-air) ⁽¹⁾				
National public broadcaster (CBC)				
- Owned & operated	15	8	-	23
- Transitional digital ⁽⁶⁾	4	4	-	8
Private commercial ⁽⁷⁾	74	23	4	101
Religious	5	-	-	5
Educational	4	3	-	7
Aboriginal	9	-	-	9
Transitional digital ⁽⁶⁾	9	3	2	14
Canadian specialty, pay, pay-per-view (PPV) and video-on-demand (VOD)				
Analog specialty services	30	14	5	49
Category 1 digital specialty services ⁽²⁾	15	3	-	18
Category 2 digital specialty services ⁽²⁾	47	3	25	75
Pay television services ⁽³⁾	5	2	5	12
PPV services (direct-to-home (DTH) and terrestrial) ⁽³⁾	9	2	-	11
VOD services ⁽³⁾	13	-	-	13
Other Canadian services				
Community channels ⁽⁴⁾	133	33	-	166
Community programming services	11	1	-	12
House of Commons – Cable Public Affairs Channel (CPAC)	1	1	-	2
Non-Canadian services ⁽⁵⁾				
Non-Canadian satellite services authorized for distribution in Canada	83	6	45	134
Total number of television services	467	106	86	659

Excludes rebroadcasters and exempt television services.

Also excludes network licences.

* Includes bilingual (English and French) and native services.

(1) Includes satellite to cable services.

(2) Includes only category 1 & 2 services launched prior to 3 May 2006.

(3) Number of services licensed as of 3 May 2006.

(4) Excludes Class 2 and 3 exempted BDU's.

(5) Carriage of authorized services is at the discretion of the broadcast distribution undertaking.

(6) Number of over-the-air transitional digital television approved as of 3 May 2006.

(7) Excludes private commercial religious stations.

Sources: CRTC APP1205 report dated 3 May 2006, CRTC decisions and CRTC Financial database system as of 31 August 2005

Table 1.2: Canadian radio and audio services

	English language ⁽¹⁾	French language ⁽²⁾	Third language	Total
Over-the-air radio services				
National public broadcaster				
CBC: Radio One / Première chaîne	36	20	-	56
CBC: Radio Two / Espace musique	14	12	-	26
CBC network licences	2	2	-	4
CBC digital: Radio One / Première chaîne	5	4	-	9
CBC digital: Radio Two / Espace musique	5	4	-	9
Private commercial				
AM stations	158	16	12	186
FM stations	349	83	9	441
AM & FM network licences	27	10	-	37
Digital radio (stand-alone and transitional)	42	9	7	58
Community				
Type A stations ⁽³⁾	11	34	-	45
Type B stations	22	25	1	48
Developmental	8	-	-	8
Campus				
Community based	36	5	-	41
Instructional	9	-	-	9
Developmental	2	1	-	3
Aboriginal – Type B stations ⁽³⁾	41	12	-	53
Religious (spoken word and/or music)	41	25	1	67
Other (tourist/traffic; Environment Canada; special event, etc.)	96	13	1	110
Total number of over-the-air Canadian radio services	904	275	31	1,210
Multi-channel subscription radio services				
Satellite subscription radio service	2	-	-	2
Terrestrial subscription radio service ⁽⁴⁾	1	-	-	1
Audio services delivered by BDUs				
Specialty audio (commercial / Non-profit, regional / national)	4	-	4	8
Pay audio (English & French national services)	2	-	-	2
Total number of Canadian radio & audio services	913	275	35	1,223

(1) Includes bilingual (English and French) and native services.

(2) Includes French-native services.

(3) Includes network licences.

(4) Authorized not yet licensed.

Excludes rebroadcasters and exempt radio services.

Sources: CRTC APP 1205 report (3 May 2006), CRTC Decisions

Table 1.3: Number of Canadian broadcasting distribution undertakings (BDUs)

	Number of distribution undertakings
Cable	
Cable class 1	146
Cable class 2	104
Cable class 3	1,713
Sub-total cable	1,963
DTH	2
MDS	27
STV	11
Total number of broadcasting distribution undertakings	2,003

Sources: Class 2 and 3 cable systems – September 2005, Mediastats; Class 1 cable, DTH, STV and MDS systems – CRTC APP1205 report dated 3 May 2006

- Most class 2 and 3 cable undertakings are eligible for exemption from licensing requirements.²

C. Streamlining activities

1. Streamlining the decision-making process

- In *Streamlined processes for certain broadcasting applications*, Broadcasting Circular CRTC 2006-1, 27 March 2006 (Circular 2006-1), the Commission announced measures to streamline and expedite the treatment of applications that are normally processed by either public notice or the administrative approach that do not entail a public process.
- The Commission recognized the need for a more timely disposition of priority applications given the rapid pace of innovation and increasing competition in the broadcasting industry. Circular 2006-1 indicated that, commencing 1 April 2006, the Commission's objective is to ensure that, within 15 working days of receiving an application for either a licence amendment that will be dealt with by public notice or an authorization that does not generally entail a public process, one of the following will be issued:
 - a public notice announcing the application;
 - a letter approving the application;
 - a letter requesting clarification; or
 - a letter returning an application that is deemed incomplete.

² Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001 / Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003.

- The Commission is currently reviewing all of its application forms to ensure that they are consistent with its new streamlined approach and reflect current policy. Circular 2006-1 noted that the onus will be on applicants to submit a clear application that provides all of the relevant information, as requested in the application form. The Commission estimated that, in the absence of any significant or unresolved issues surrounding an application for a licence amendment processed by public notice or an application that does not require a public process, the expedited process established in Circular 2006-1 will reduce the current average processing time by approximately half.

2. Issuance of letters of approval for applications that do not require a public process

- The Commission announced in Circular 2006-1 that it will issue letters of approval, provided the applications do not raise any policy concerns and are consistent with previous decisions, for the following types of applications :
 - extension of deadlines for the implementation of an authority;
 - extension of deadlines for responding to a requirement made by the Commission in a decision for the filing of documentation or other information;
 - changes to the authorized contours of over-the-air programming undertakings;
 - changes to the authorized areas of licensed broadcasting distribution undertakings;
 - changes to the programming services that licensed broadcasting distribution undertakings are authorized to carry; and
 - changes to the broadcast day of television and specialty service undertakings.
- The Commission stated that, consistent with the process set out in *Ownership applications granted approval*, Broadcasting Public Notice CRTC 2003-50, 19 September 2003, it will announce the applications approved in this manner by issuing a public notice every two months.

3. 2006/07 Streamlining initiatives

- In Circular 2006-1, the Commission stated that it intends to examine streamlining initiatives relative to the public hearing process in the 2006/07 fiscal year. It indicated that these initiatives include the policy concerning the issuance of calls for radio applications and the processing of Category 2 applications.

4. New service standards for processing certain types of broadcasting applications

- In *Introduction of service standards for certain broadcasting applications*, Broadcasting Circular CRTC 2006-2, 5 April 2006, the Commission announced new service standards for applications for licence amendments and licence renewals currently processed by public notice, as well as applications processed using an administrative approach that does not entail a public process.

- The Commission will post quarterly and annual statistics on its website to disclose to the public its performance in meeting these service standards.
- The following table summarizes the new service standards, effective 1 April 2006, for the 2006-07 fiscal year. These standards apply only to applications received after 31 March 2006.

**Table 1.4: Summary of services standards,
effective 1 April 2006**

Type of application and processing route	Time taken to process applications ⁽¹⁾
Administrative route	
• All applications dealt with administratively (no public process)	<ul style="list-style-type: none"> • 80% in 2 months • 90% in 3 months
Public notice route (excluding licence renewals)	
• Applications that do not give rise to opposing interventions or policy issues	<ul style="list-style-type: none"> • 80% in 6 months • 90% in 8 months
• Applications that give rise to opposing interventions, but do not raise policy issues	<ul style="list-style-type: none"> • 80% in 8 months • 90% in 10 months
Licence renewals by public notice route	
• Applications that do not raise policy issues	<ul style="list-style-type: none"> • 80% in 8 months • 90% in 10 months

(1) From the date of their receipt in the Commission

D. Competitive disputes

- The Broadcasting Directorate's competitive disputes team was created in 2000 to more effectively process and resolve disputes in an increasingly competitive broadcasting industry. The process and procedures used for resolving competitive and access disputes are outlined in *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000.
- Disputes can generally be classified as follows: (1) disputes between broadcasting distributors and programming services concerning the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and to the end-user; and (3) disputes between programmers regarding programming rights and markets served.
- The Commission employs alternative dispute resolution (ADR) techniques, including fact-finding meetings, mediation and staff opinions, to attempt to break deadlocks and assist parties to resolve their disputes. When these techniques are insufficient, the Commission may, where appropriate, render determinations on disputes by way of "final offer" or by way of an expedited written process.
- "Final offer" arbitration processes are typically conducted on a confidential basis, both to encourage candour on the part of the parties and to take into account that the matters in dispute often involve commercially sensitive information, the disclosure of which could cause harm that would outweigh any public interest benefit.
- In certain disputes that come before the Commission as allegations of undue preference or disadvantage, the complainant seeks a ruling by the Commission that

the preference or disadvantage has material and serious consequences for the complainant and/or the Canadian broadcasting system, and that are contrary to the public interest. Cases involving such public issues are usually immediately placed on a public file.

- As a further means to hasten the resolution of broadcasting disputes, the Commission has adopted procedures for the conduct of expedited public hearings. In *Expedited procedure for resolving issues arising under the Broadcasting Act*, Broadcasting Circular CRTC 2005-463, 18 April 2005, the Commission announced that, in order to expedite decisions on certain issues arising under the *Broadcasting Act*, panels of Commissioners will be struck to conduct public hearings to deal with such issues on an accelerated basis. These hearings complement the Commission's existing dispute resolution guidelines and tools and are similar to its procedures for resolving disputes arising under the *Telecommunications Act*.³
- On 23 March 2005, the Commission received a complaint by 6166954 Canada Inc. (6166954) against Shaw Cable (Shaw) pursuant to sections 9, 20 and 40 of the Broadcasting Distribution Regulations. On 5 May 2005, the Commission decided to conduct its second expedited hearing which was scheduled for 8 July 2005. On 5 July 2005, the Commission received a written confirmation from 6166954 indicating that it had withdrawn its complaint. Although the Commission was not privy to the agreement, it learned that a settlement had been reached following several rounds of discussions between the parties only a few days before the scheduled hearing.
- In recent years, the Commission has also increased the number of informal ADR interventions. Informal interventions are intended to assist in early detection and removal of obstacles to resolution between the disputing parties. Typically, these interventions take place prior to the filing of formal complaints or requests for dispute resolution and prior to the provision of any related documentation. Most of these interventions can be effectively conducted by telephone. The Commission started tracking this type of ADR activity in January 2005.

1. Number and type of disputes

Table 1.5: Number of dispute files received in 2005/06⁽¹⁾

Dispute issues	Type of disputes Formal dispute files			Informal interventions
	Undue preference or disadvantage ⁽²⁾	Dispute resolution ⁽³⁾	Total	Total
Wholesale rates	1	1	2	2
Building access	1	-	1	2
Channel placement	-	1	1	2
Programming rights-related issues	-	2	2	4
Total	2	4	6	10

(1) 1 April 2005 to 31 March 2006

(2) Section 9 of the *Broadcasting Distribution Regulations*

(3) Sections 12 to 15 of the *Broadcasting Distribution Regulations*

³ *Expedited procedure for resolving competitive issues*, Telecom Circular CRTC 2004-2, 10 February 2004

- Between 1 April 2005 and 31 March 2006, the Commission opened six new dispute files and closed nine.⁴ Of the four dispute files outstanding, one file has been suspended at the request of the parties, and the remaining three were received in or after December 2005.
- During the same period, the Commission also resolved five of the ten informal dispute interventions undertaken⁵. The remaining five informal dispute files have been suspended – three before March 31 and two were in early April 2006.

2. Time taken to resolve disputes

- The following table compares the average time taken to resolve disputes over each of the last four years. In arriving at these averages, it should be noted that some of the disputes were suspended, at the request of the parties, for various periods of time in order to permit the parties to negotiate. Time while suspended is not included in calculating time to closure.

Table 1.6: Fiscal year comparisons of the average number of days to resolve disputes

Disputes	2002/03	2003/04	2004/05	2005/06
Undue preference	176	245	142	135
Sections 12 to 15	84	152*	152*	86
Section 9(1)(h)	-	-	16	-

Notes: Excludes informal interventions. Files commenced in one year but concluded in another are included in the calculation for the year of closure.

* The increase in the average times to resolution in this category was due to a number of complex “final offer” determination disputes that involved one or more CRTC staff mediation meetings and a subsequent written final offer stage.

- The majority of the new disputes, whether alleging undue preference or disadvantage or seeking staff assistance or Commission determinations on other matters, raised multiple issues and involved complex fact situations. Overall, the complexity of disputes submitted to the Commission continues to increase and most now include “policy” components. Neither factor is conducive to expedited processing by way of alternative dispute resolution techniques.

⁴ There were seven files outstanding from the previous period.

⁵ This is the first year that the Commission has tracked this type of ADR activity.

E. Advertising revenue by media

- The following table and pie chart outline the trends in advertising revenues by the different media.

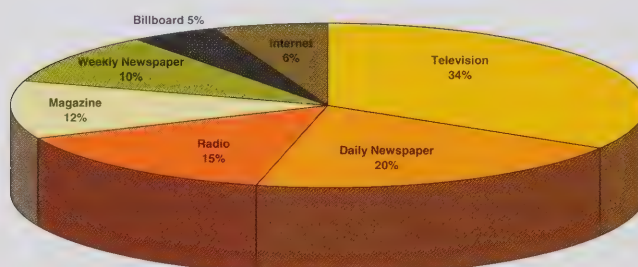
Table 1.7: Advertising revenue by media (\$ millions)

Media	1997	1998	1999	2000	2001	2002	2003	2004	2005	% Increase 1997 to 2005
Television	2,105	2,332	2,373	2,454	2,547	2,595	2,821	2,939	3,013	43%
Daily newspaper	1,546	1,596	1,629	1,731	1,678	1,684	1,696	1,751	1,784	15%
Radio	849	920	953	1,001	1,048	1,080	1,171	1,209	1,310	54%
Magazine	647	707	721	805	845	900	950	994	1,028	59%
Weekly newspaper	634	764	787	820	836	849	862	875	883	39%
Billboard	220	246	269	293	310	321	338	356	404	84%
Internet	10	25	56	110	97	117	237	365	519	5090%
Total	6,011	6,590	6,788	7,214	7,361	7,546	8,075	8,488	8,942	49%
% Annual Increase	9%	10%	3%	6%	2%	3%	7%	5%	5%	

Source: Carat Expert, May 2006

- Radio advertising revenues increased 54% from 1997 to 2005 exceeding the total media advertising revenue increase of 49%. Television advertising revenues increased by 43% over the same period.

Chart 1.1: Share of advertising revenue by media, 2005



- The relative levels of advertising revenue earned by the different media have remained generally constant since 1997. For example, television advertising achieved a 35% share of the pie in 1997, as compared to 34% in 2005. Radio's levels have also remained constant achieving a 14% share in 1997 and 15% in 2005.

II. Radio

A. Radio tuning trends

Table 2.1: Per capita listening hours by age group

Average weekly hours tuned per capita								
BBM Fall 1999 – 2005 – all persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.								
	All persons 12+	Teens 12-17	Adults					
			18-24	25-34	35-49	50-54	55-64	65+
1999	20.5	11.3	17.3	21.3	21.6	21.6	23.2	22.7
2000	20.3	10.5	18.1	20.6	21.8	21.9	22.8	22.4
2001	20.1	10.1	17.3	20.5	21.6	21.6	22.7	22.3
2002	20.2	9.4	16.7	20.1	21.7	22.3	23.1	22.8
2003	19.5	8.5	16.3	19.3	21.3	21.8	21.9	22.3
2004	19.5	8.5	15.7	19.3	21.5	21.6	22.1	22.3
2005	19.1	8.6	15.2	18.1	21.0	21.5	21.9	21.6
Growth*99 to 05	-1.4	-2.7	-2.1	-3.2	-0.6	-0.1	-1.3	-1.1

* In average hours

Source: MicroBBM surveys Fall 1999 to Fall 2005

- Overall weekly listening levels have decreased by roughly one hour and twenty-five minutes from 1999 to 2005. This decrease is most notable in the teen demographics and for adults aged from 18 to 34.
- The following table sets out the percentage of hours tuned to radio in an average week during the BBM Fall surveys from 1997 to 2005.

Table 2.2: Radio tuning share in an average week

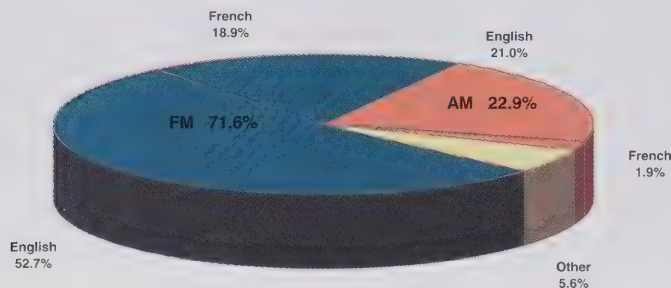
BBM Fall – all persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.										
	Percentage (%) of hours tuned									Increase/ decrease 97 to 05
	1997	1998	1999	2000	2001	2002	2003	2004	2005	
AM English	27.7	25.1	24.5	23.8	23.7	22.6	22.2	21.2	21.0	-6.7
AM French	5.7	4.4	3.8	3	2.9	2.7	2.4	2.1	1.9	-3.8
FM English	45.2	48.7	49.2	50.3	50.1	51.1	52.1	52.7	52.7	7.5
FM French	15.4	16.5	16.9	17.4	17.7	18.4	18.4	18.8	18.9	3.5
Other	6.0	5.3	5.6	5.5	5.6	5.2	4.9	5.2	5.6	-0.4
Total	100	100	100	100	100	100	100	100	100	
Total average weekly hours (000,000)	516.6	552.8	544.6	531.8	532.9	540.5	529.6	538.1	531.6	15.0

Note: "Other" is principally over-the-air tuning to U.S. border stations. "Other" also includes tuning to Internet radio that is not attributed to Canadian over-the-air radio stations (0.3 tuning share, in 2005 – see table 6.7).

Source: BBM Fall 1997 to Fall 2005

- The total average weekly hours tuned to radio have remained relatively stable since 1997.
- AM radio continues to decline in total average hours tuned, while FM recuperates these hours.
- The following pie chart is based on Table 2.2 and demonstrates the dominance of FM radio in both the English- and French-language markets.

Chart 2.1: Radio tuning share in an average week, 5 a.m. to 1 a.m., BBM Fall 2005



- According to BBM (5 a.m. to 1 a.m., Monday to Sunday):
 - 92.1% of Canadians aged 12 and over listened to the radio for at least 15 minutes per week in Fall 2005, as compared to 94% in 1998.
 - In Fall 2005, the average hours tuned per listener was 20.7 hours per week, roughly the same number as in the previous year.
 - In Fall 2005, the average hours tuned per capita decreased by roughly 25 minutes to 19.1 hours per week.

B. Ownership

- In revising its ownership policy in *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (the Commercial Radio Policy), the Commission focussed on developing a model that would allow for some consolidation, while taking into account the Commission's general concerns for preserving a diversity of news voices and maintaining competition.
- Tables 2.3 through 2.8 monitor ownership consolidation in the radio industry, providing revenue and tuning information for the largest radio operators.

1. Total hours tuned to the largest private commercial radio operators

Table 2.3: Tuning to the largest radio operators⁽¹⁾

	Listening hours (000) BBM Fall			Share of national tuning		
	2003	2004	2005	2003	2004	2005
Corus Entertainment Inc.	83,785	85,391	91,725	16%	16%	17%
Standard Broadcasting Corporation Limited	64,496	64,526	65,643	12%	12%	12%
Rogers Communications Inc.	51,098	44,732	48,243	10%	8%	9%
Astral Media Radio inc.	50,033	48,189	38,139	9%	9%	7%
CHUM Limited	34,581	36,019	36,116	7%	7%	7%
<i>Subtotal – top five radio groups</i>	<i>283,993</i>	<i>278,857</i>	<i>279,866</i>	<i>54%</i>	<i>52%</i>	<i>53%</i>
Newcap Inc.	20,052	20,039	21,224	4%	4%	4%
Jim Pattison Industries Ltd.	11,164	11,029	12,005	2%	2%	2%
Cogeco Inc.	8,943	9,345	10,881	2%	2%	2%
Maritime Broadcasting System Limited	8,935	8,282	8,394	2%	2%	2%
Total	333,087	327,552	332,369	63%	61%	63%
Total Canadian private commercial radio⁽²⁾	434,153	437,181	442,123	82%	81%	83%
Total all radio (3)	529,647	538,202	531,607	100%	100%	100%

(1) Refer to “Notes to tables 2.3 to 2.8” following Table 2.8.

(2) Listening hours includes tuning to private commercial, multilingual and native stations.

(3) Listening hours includes tuning to public and private Canadian and U.S. stations.

Sources: BBM Fall 2003 to 2005 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

- Although the tuning share by the largest radio groups has risen considerably from 54% in 1997 to 63% in 2005, their tuning share has remained about the same for the last three years.
- The five largest radio groups attracted 53% of Canadian audiences in 2005. In 1997, the ten largest radio groups attracted approximately the same audience.

Table 2.4: Tuning to the largest French-language radio operators⁽¹⁾

	Listening hours (000) BBM Fall			Share of tuning to French-language radio		
	2003	2004	2005	2003	2004	2005
Astral Media Radio inc.	47,381	45,317	35,212	43%	40%	32%
Corus Entertainment Inc.	13,909	15,224	23,846	13%	14%	22%
Cogeco Inc.		9,345	10,881		8%	10%
Total	61,290	69,886	69,938	56%	62%	63%
Total Canadian French-language radio (2)	110,177	112,508	110,559	100%	100%	100%

(1) Refer to “Notes to tables 2.3 to 2.8” following Table 2.8.

(2) Listening hours include tuning to public and private Canadian French-language stations.

Sources: BBM Fall 2003 to 2005 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

- Astral Media Inc. garnered 32% of the hours tuned to French-language radio in 2005 and 49% of French-language radio revenues.

Table 2.5: Tuning to the largest English-language radio operators⁽¹⁾

	Listening hours (000) BBM Fall			Share of tuning to English-language radio		
	2003	2004	2005	2003	2004	2005
Corus Entertainment Inc.	69,876	70,167	67,880	18%	18%	17%
Standard Broadcasting Corporation Limited	64,496	64,526	65,643	16%	16%	17%
Rogers Communications Inc.	51,098	44,732	48,243	13%	11%	12%
CHUM Limited	34,581	36,019	36,116	9%	9%	9%
Newcap Inc.	20,052	20,039	21,224	5%	5%	5%
Total	240,103	235,483	239,106	61%	59%	61%
Total Canadian English-language radio⁽²⁾	393,385	397,409	391,468	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Listening hours include tuning to public and private Canadian English-language stations.

Sources: BBM Fall 2003 to 2005 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC financial database

2. Revenues of the top private commercial radio ownership groups

Table 2.6: Radio revenues of the largest radio operators⁽¹⁾

	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of national revenue		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Corus Entertainment Inc.	50	50	50	210,529	216,119	237,380	18%	18%	18%
Rogers Communications Inc.	43	42	43	158,264	177,178	192,667	13%	14%	14%
Standard Broadcasting Corporation Limited	51	51	51	164,966	162,884	180,533	14%	13%	14%
CHUM Limited	30	30	33	116,968	121,144	132,771	10%	10%	10%
Astral Media Radio inc.	34	34	31	126,757	119,928	112,583	11%	10%	8%
<i>Subtotal – top five radio groups</i>	<i>208</i>	<i>207</i>	<i>208</i>	<i>777,484</i>	<i>797,253</i>	<i>855,934</i>	<i>65%</i>	<i>65%</i>	<i>64%</i>
Newcap Inc.	41	41	47	55,509	58,012	73,358	5%	5%	6%
Jim Pattison Industries Ltd.	18	18	19	33,365	33,637	37,611	3%	3%	3%
Rawlco Radio Ltd.	12	12	12	27,020	28,907	31,036	2%	2%	2%
Elmer Hildebrand	21	23	24	25,221	27,077	30,252	2%	2%	2%
Maritime Broadcasting System Limited	21	21	21	23,593	22,856	22,484	2%	2%	2%
TOTAL	321	322	331	942,192	967,742	1,050,675	79%	79%	79%
TOTAL Canada (private radio revenues)⁽²⁾	532	550	559	1,189,605	1,226,321	1,333,367	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Includes private commercial networks and commercial ethnic radio stations.

Source: CRTC financial database

- The number of programming undertakings owned and controlled by the largest radio operators and their share of national revenue increased from 148 and 61% respectively in 1998, to 331 and 79% in 2005.

Table 2.7: Radio revenues of the largest French-language radio operators⁽¹⁾

	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of French radio revenue		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Astral Media Radio inc.	26	26	23	117,411	110,797	102,572	59%	57%	49%
Corus Entertainment Inc.	10	10	12	28,657	31,838	45,324	14%	16%	22%
Cogeco Inc.		5	5		15,250	19,637		8%	9%
Total	36	41	40	146,068	157,885	167,533	73%	81%	80%
Total private commercial French-language radio⁽²⁾	86	92	85	198,949	195,245	209,004	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" following Table 2.8.

(2) Includes network radio revenues.

Source: CRTC financial database

Table 2.8: Radio revenues of the largest English-language radio operators⁽¹⁾

	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of English radio revenue		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Corus Entertainment Inc.	40	40	38	181,872	184,281	192,055	19%	18%	18%
Rogers Communications Inc.	43	42	43	158,264	177,178	192,667	16%	18%	18%
Standard Broadcasting Corporation Limited	51	51	51	164,966	162,884	180,533	17%	16%	17%
CHUM Limited	30	30	33	116,698	121,144	132,771	12%	12%	12%
Newcap Inc.	41	41	47	55,509	58,012	73,358	6%	6%	7%
Total	205	204	212	677,309	703,499	771,384	70%	70%	71%
Total private commercial English-language radio⁽²⁾	432	444	451	961,220	1,000,204	1,089,752	100%	100%	100%

(1) Refer to "Notes to tables 2.3 to 2.8" below.

(2) Includes private commercial network revenues.

Source: CRTC financial database

Notes to tables 2.3 to 2.8:

- The ownership structure reflects transactions authorised by the Commission during the broadcast year, not the closing date of the transaction.
- An undertaking's entire annual revenue is attributed to the organization that was deemed to be its owner as of 31 August.
- In some instances, the 2003 and 2004 results have been restated to reflect current data on file.
- Corus' 2005 results reflect the sale of CIZZ-FM and CKGY-FM Red Deer to Newcap.
- CHUM's 2005 results include the new Edmonton station as well as CFAX Victoria and CHBE-FM acquired from Seacoast Communications Group Inc.

- The 2005 results for Elmer Hildebrand include CHVN-FM Winnipeg. Golden West Broadcasting acquired effective control of this station from Christian Radio Manitoba Ltd.
- The 2005 results for Jim Pattison Industries include a new FM station in Red Deer.
- Newcap's 2005 results reflect the new CKWY-FM Wainwright station as well as the following five stations that were acquired through the transfer of ownership or control: CIZZ-FM and CKGY-FM Red Deer from Corus, CJUK-FM Thunder Bay from Big Pond Communications 2000 Inc. and CILR-FM and CKSA-FM Lloydminster from Sask-Alta Broadcasters Limited.
- Astral's results for 2003 reflect the transaction that was approved in *Transfer of control of 3903206 Canada Inc., of Telemedia Radio Atlantic Inc. and of 50% of Radiomedia Inc. to Astral Radio Inc.*, Broadcasting Decision CRTC 2002-90, 19 April 2002, the acquisition of assets from Télémédia; but it should be noted that nine Astral stations were held in trust pending their sale: CKRS, CJRC, CHLN, CHLT, CKSM, CKTS, CKAC, CHRC and CFOM-FM as required by the Competition Bureau (*Acquisition of radio assets in Quebec*, Broadcasting Decision CRTC 2003-205, 2 July 2003).
- Astral's and Corus' results for 2005 reflect the transaction that was approved pursuant to *Exchange of radio assets in Quebec between Astral Media Radio inc. and Corus Entertainment Inc.*, Broadcasting Decision CRTC 2005-15, 21 January 2005, in which Astral acquired five stations from Corus and Corus acquired eight stations from Astral.

C. Financial performance – Promoting a financially sound sector

- One of the Commission's objectives in developing the Commercial Radio Policy was to ensure a strong, well-financed radio industry that is able to achieve its obligations under the Act.

1. Commercial radio revenues

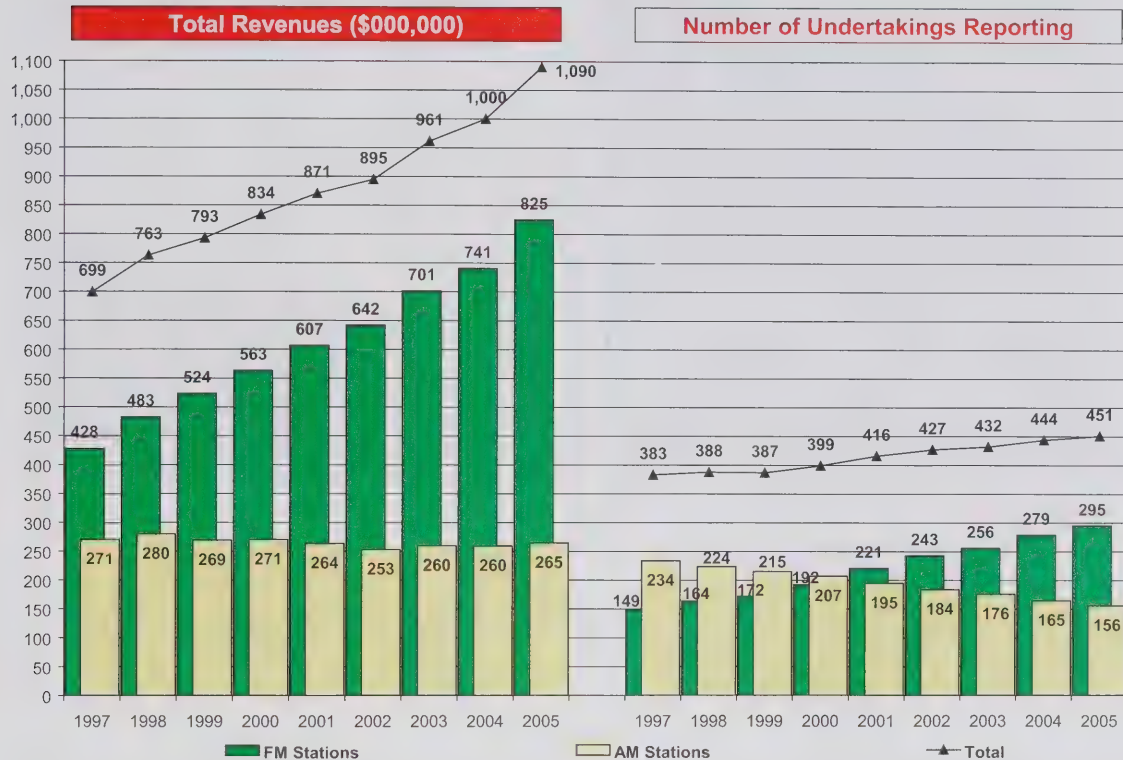
Table 2.9: Revenues – commercial radio – 1997 to 2005

(\$ 000,000)	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of radio undertakings reporting	<u>479</u>	<u>487</u>	<u>487</u>	<u>498</u>	<u>516</u>	<u>528</u>	<u>532</u>	<u>550</u>	<u>559</u>
AM stations	322	329	314	315	307	297	305	302	304
% Annual growth		2%	-5%	0%	-3%	-3%	3%	-1%	0%
FM stations	547	611	660	710	763	806	884	924	1,030
% Annual growth		12%	8%	8%	7%	6%	10%	4%	11%
Total	869	940	975	1,026	1,070	1,103	1,190	1,226	1,333
% Annual growth		8%	4%	5%	4%	3%	8%	3%	9%

Note: Includes network results; 1997 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- For the nine-year period from 1997 to 2005, the number of FM radio stations reporting financial results has increased by 85%, or by 175 stations, while the number of AM stations has decreased by 35%, or by 95 stations.
- Over this same period, total revenues have increased by 53%. AM revenues have decreased by 4.5% while FM revenues have increased by 88.3%.

Chart 2.2: Revenues – English-language commercial radio stations

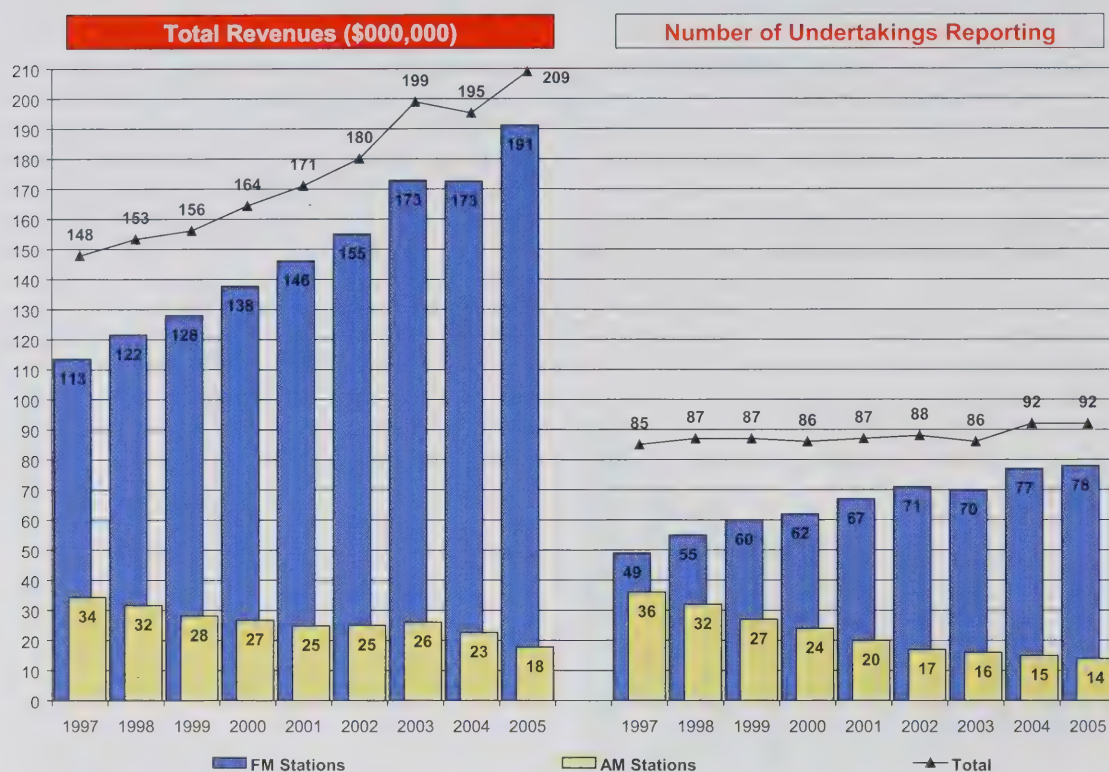


Note: Includes network results; 1997 to 2004 figures have been updated to reflect current aggregate results.

Source: CRTC financial database

- English-language FM radio revenues increased by 11.4% from 2004 to 2005. FM revenues have increased by an average of 8.0% per year over the past four years.
- English-language AM radio revenues increased by 2.0% from 2004 to 2005 and achieved 2001 revenue levels.
- Combined English-language AM and FM radio revenues increased by 9.0% from 2004 to 2005. This represents an average annual increase of 5.8% over the past four years.
- The number of English-language radio stations continues to increase annually. Roughly 55% of the new English-language FM stations reporting in 2005 were by licensees who had converted their AM frequencies to FM frequencies.

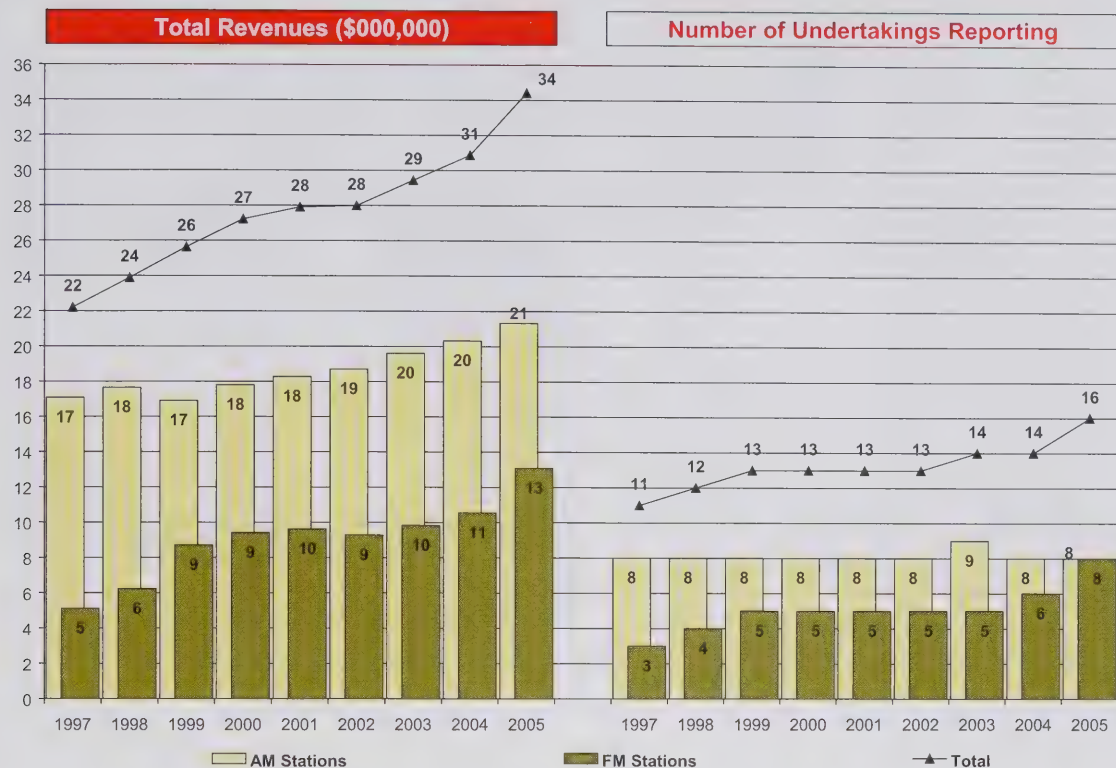
Chart 2.3: Revenues – French-language commercial radio stations



Note: Includes network results; 1997 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- Revenues for French-language FM radio increased by 10.8% from 2004 to 2005. FM revenues have increased by an average of 7% per year over the past four years.
- Revenues for French-language AM radio decreased by 21.5% from 2004 to 2005. Over the last four years, revenues decreased by an average of 8.1% per year.
- Overall, total revenues for French-language radio increased by 7% from 2004 to 2005. French-language radio has experienced an average annual increase of 5.1% over the past four years.

Chart 2.4: Revenues – Ethnic commercial radio stations



Note: Includes network results; 1997 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

- Ethnic radio stations derive approximately 95% of their advertising revenues from local sources, compared to 77% for English-language and 66% for French-language stations.
- Total revenues for ethnic radio increased 11.5% from 2004 to 2005. A significant portion of this increase is due to two new FM radio stations (CJSA-FM Toronto and CKDG-FM Montréal) reporting for the first time in 2005. Total revenues achieved by ethnic radio stations have increased by an average of 5.4% per year over the past four years.

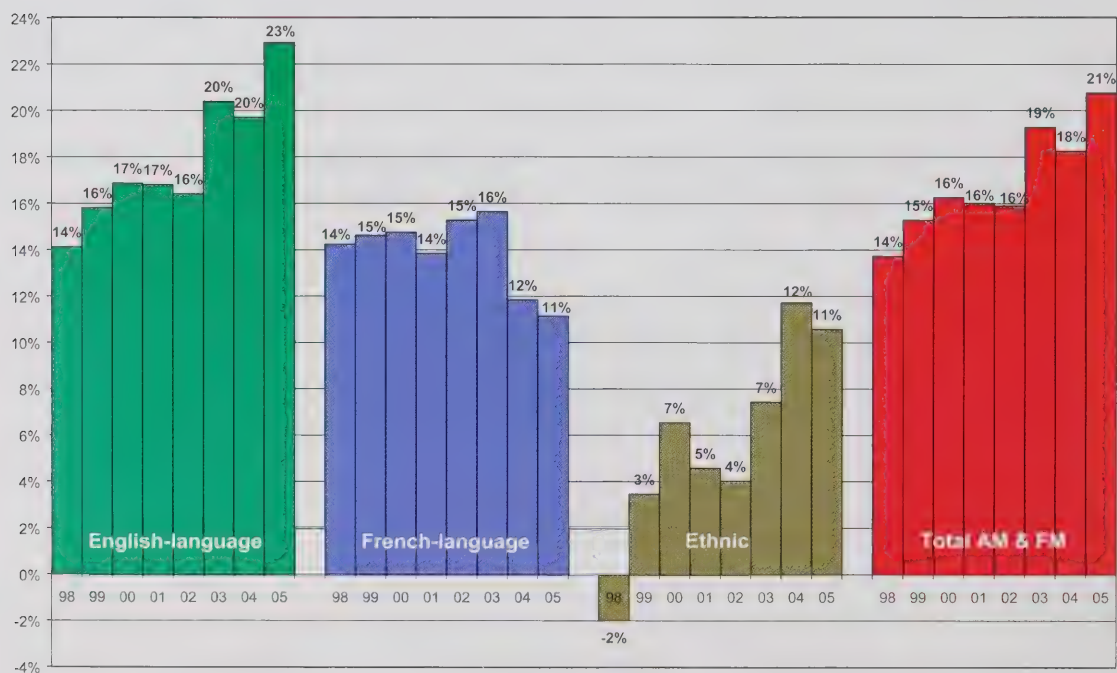
2. Profits before interest and taxes (PBIT)

Table 2.10: Commercial radio PBIT in Canada – 1997 to 2005

(\$ 000,000)	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of radio undertakings reporting PBIT (\$ 000,000)	479	487	487	498	516	528	532	550	552
AM stations	-23	-9	-17	-15	-17	-20	2	3	13
% Annual growth		-63%	95%	-10%	13%	17%	-110%	64%	290%
FM stations	114	138	166	182	188	195	227	220	264
% Annual growth		21%	20%	10%	3%	4%	16%	-3%	20%
Total	90	129	149	167	171	175	229	224	277
% Annual growth		43%	15%	12%	3%	2%	31%	-2%	24%
PBIT margin									
AM stations	-7.2%	-2.6%	-5.3%	-4.8%	-5.5%	-6.7%	0.7%	1.1%	4.4%
FM stations	20.8%	22.5%	25.1%	25.6%	24.7%	24.2%	25.7%	23.9%	25.6%
Total	10.4%	13.7%	15.3%	16.3%	16.0%	15.9%	19.3%	18.3%	20.8%

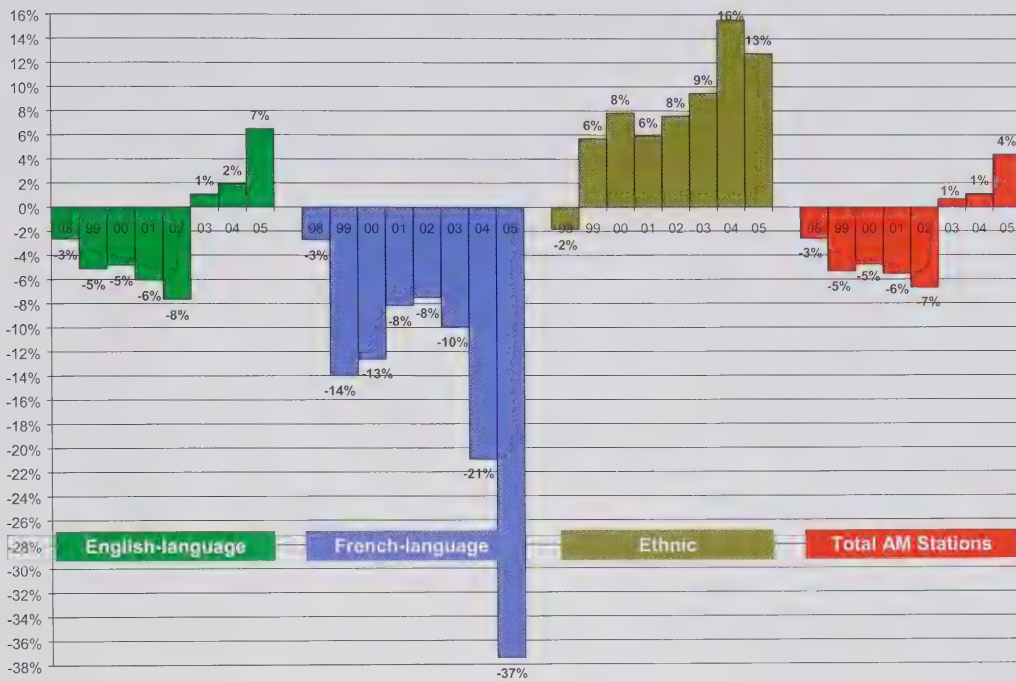
Note: Includes network results; 1997 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.5: PBIT margins – Commercial AM & FM radio stations



Note: Includes network results; 1998 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.6: PBIT margins – Commercial AM radio stations



Note: Includes network results; 1998 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

Chart 2.7: PBIT margins – Commercial FM radio stations



Note: Includes network results; 1998 to 2004 figures have been updated to reflect current aggregate results.
Source: CRTC financial database

D. Licensing of over-the-air radio stations

- The following table sets out the number of radio applications that have been approved by the Commission during the past three years by language and type of station.

Table 2.11: Number of new over-the-air radio stations approved from 1 January 2003 to 31 December 2005

	2003	2004	2005	Total
Number of new AM & FM stations approved	68	49	44	161
English-language, French-language and ethnic stations approved:				
English-language	51	43	38	132
French-language	12	5	4	21
Ethnic	5	1	2	8
Type of radio stations approved:				
Commercial	32	25	33	90
Community	11	10	8	29
Campus	4	2	-	6
Native	7	2	-	9
Other	14	10	3	27

Notes: Includes AM to FM conversions (often referred to as FM flip).

Excludes digital transitional radio.

"Other" includes not for profit, CBC/SRC, tourist, environment Canada, etc. radio stations

Source: CRTC APP1100 system and CRTC decisions

1. Competitive licensing

- In the 1998 Commercial Radio Policy,¹ the Commission determined that in order to encourage competition and choice it would no longer apply the criteria² outlined in the *Radio Market Policy*, Public Notice CRTC 1991-74, 23 July 1991 (the *Radio Market Policy*). The elimination of the *Radio Market Policy* combined with the revised common ownership policy has resulted in numerous competitive processes for new stations in markets across Canada.
- In *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999 (Decision 99-480), the Commission outlined the factors that will generally be among those relevant to the evaluation of competitive applications. For Decision 99-480 the Commission also noted that the relative weight and significance of the factors would vary depending on the specific circumstances of the market concerned.
- The Commission also examines applications in terms of their furtherance of the objectives of the Act, particularly with respect to the production of local and regional programming.
- The following table reveals the factors that were noted in the Commission's decisions as contributing to the success of competitive applications decisions issued from 1 January 2003 to the 31 March 2006.

This section is based on the 1998 Commercial Radio Policy review. The Commission held a Public Hearing in May 2006 to review the 1998 Commercial Radio Policy framework – see item R. Commercial Radio Policy Review.

² The *Radio Market Policy* set out the procedures and criteria to be followed when processing applications for conventional, commercial AM and FM undertakings.

Table 2.12: Factors contributing to successful applications for radio licences considered in competitive processes from 1 January 2003 to 31 March 2006

Market / Company	Decision number	Language	Type	Quality of the application				Competitive balance	Diversity of news voices
				Local programming and benefits to the community	Canadian content (1)	CTD	Business plan		
Toronto, PN 2003-20 (17 September 2002 PH - 17 applications considered)									
Toronto, Canadian Multicultural Radio	2003-115	m	C	Sp(ethnic), FM	✓				✓
Toronto, Coopérative radiophonique de Toronto	2003-116	f	CO	Type A FM	✓			✓	
Toronto, Father Hernan Astudillo	2003-117	m	CO	Type B (ethnic) AM	✓				✓
Toronto, Sur Sagar Radio Inc.	2003-118	m	C	Sp(ethnic), digital	✓				✓
Kitchener-Waterloo, PN 2003-25 (28 October 2002 PH - 11 applications considered)									
Kitchener-Waterloo, Global	2003-152	e	C	MF, FM	✓	✓	✓		✓
Kitchener-Waterloo, Larche	2003-153	e	C	MF, FM	✓	✓	✓		
Kitchener-Waterloo, Sound of Faith	2003-154	e	NC	Sp(religious) FM	✓				✓
Kitchener-Waterloo, AVR	2003-155	e/n	N	Type B, FM					✓
Newfoundland (10 December 2002 PH - 2 applications considered)									
St. John's, Newman/Bell	2003-171	e	C	MF, FM	✓			✓	✓
Québec, PN 2003-33 (3 February 2003 PH - 26 applications considered)									
Montréal, Radio Nord	2003-192	f	C	SpMF(jazz), FM	✓	✓		✓	✓
Laval, Lajoie/Chabot	2003-193	f	C	SpMF(40's-70's), AM	✓		✓	✓	✓
Montréal, Canadian Hellenic Cable Radio	2003-194	m	C	Ethnic, FM	✓	✓			✓
Montréal, AVR	2003-195	e/f/n	N	Type B, FM					✓
Sherbrooke, Cogéco	2003-197	f	C	MF, FM	✓	✓		✓	✓
Sherbrooke, Génération Rock	2003-198	f	C	MF, FM	✓	✓		✓	✓
Lac-Brome, Radio Communautaire Missisquoi	2003-199	e	CO	Type A, FM	✓				
Trois Rivières, Cogéco	2003-201	f	C	MF, FM	✓	✓		✓	✓
Alberta, PN 2004-23 (18 June 2003 PH - 13 applications considered)									
Red Deer, CBC	2004-116	e	NC	CBC2,FM					✓
Red Deer, Pattison	2004-117	e	C	MF, FM				✓	
Edmonton, CHUM / Milestone	2004-133	e	C	MF, FM	✓	✓	✓		✓
Edmonton, AVR	2004-134	e/n	N	Type B, FM					✓
Edmonton, O.K. Radio	2004-135	e	C	MF, FM	✓	✓	✓	✓	✓
Edmonton, Rawlco	2004-136	e	C	SpMF(jazz), FM	✓	✓	✓		✓
Atlantic, PN 2004-91 (1 March 2004 PH - 25 applications considered)									
Halifax, Rogers	2004-513	e	C	SP (Spoken Word), FM	✓	✓			✓
Halifax, CKMW Radio	2004-514	e	C	MF, FM		✓			✓
Halifax, Global	2004-515	e	C	MF, FM		✓	✓		
Halifax, International Harvesters	2004-516	e	C	SpMF(Christian), FM		✓			✓
Moncton, Rogers	2004-517	e	C	SP (Spoken Word), FM	✓	✓			✓
Moncton, Radio Beauséjour	2004-518	f	CO	Type B, FM					✓
Saint John, Rogers	2004-520	e	C	SP (Spoken Word), FM	✓	✓			✓

Market / Company	Decision number	Language / Type	Quality of the application				Competitive balance	Diversity of news voices
			Local programming and benefits to the community	Canadian content (1)	CTD	Business plan		
Saint John, Coopérative	2004-521	f CO Type A, FM						✓
Federicton, Newcap	2004-522	e C MF, FM			✓	✓		✓
Federicton, Ross Ingram	2004-523	e C SpMF (Christian), FM		✓				✓
National Capital Region, PN 2005-64 (1 December 2004 PH – 16 applications considered)								
Ottawa, Ont., Newcap	2005-253	e C MF, FM	✓	✓	✓		✓	
Ottawa, Ont., CKMW Radio	2005-254	e C MF, FM	✓	✓	✓		✓	
Gatineau, Radio Nord	2005-255	f C MF, FM		✓			✓	
Ottawa, 3077457 Nova Scotia Ltd.	2005-256	e TO LP, FM					✓	
British Colombia, PN 2005-68 (28 February 2005 PH – 11 applications considered)								
Vancouver, I.T. Productions Ltd.	2005-338	m C Ethnic, AM	✓	✓		✓		✓
Vancouver, South Asian Broadcasting Corp.	2005-339	m C SP(Ethnic), FM	✓	✓		✓		✓
Kamloops, NL Broadcasting Ltd.	2005-341	e C MF, FM		✓		✓	✓	
Ontario, PN 2005-85 (6 June 2005 PH – 6 applications considered)								
Woodstock, Ont., ByrnesCommunications Inc.	2005-431	e C MF, FM	✓			✓		✓
Tillsonburg, Ont., Tillsonburg Broadcasting	2005-432	e C MF, FM (Flip)					✓	
Atlantic, PN 2006-34 (3 October 2005 PH – 8 applications considered)								
New Glasgow, N.S., Hecor Broadcasting	2006-87	e C MF, FM (Flip)					✓	
Charlottetown, P.E.I., Newcap	2006-88	e C MF, FM (Flip)					✓	
Charlottetown, P.E.I., Maritime Broadcasting	2006-89	e C MF, FM (Flip)			✓		✓	
Charlottetown, P.E.I., Newcap	2006-90	e C MF, FM					✓	

Legend: PN = Public Notice; PH = Public Hearing; **Languages:** e = English-language, f = French-language, e/n = English & Aboriginal, f/n = French & Aboriginal, m = 3rd languages (other than English, French & Aboriginal); **Type:** C = Commercial, NC = Non-Commercial, N = Native, CO = Community, CC = Community based Campus, CI = Campus Instructional, MF = Musical format, SpMF = Specialty music format, Flip = Conversion of existing AM radio station to FM frequency, CBC1 = English-language CBC "Radio One" format, CBC2 = English-language CBC "Radio Two" format, SRC1 = French-language CBC "La première chaîne" format, SRC2 = French-language CBC "Espace musique" format.

(1) "Canadian content" refers to applications that proposed to exceed the minimum regulatory requirement for Canadian content.

Source: CRTC Broadcasting Public Notices (PN) and Decisions (noted in table)

E. Canadian talent development

- One of the methods the Commission uses to increase the amount of Canadian content is to require Canadian broadcasters to make financial contributions to Canadian talent development (CTD).

1. Over-the-air radio stations

- The Commission reviews contributions by radio licensees to CTD in the context of:
 - a) applications for new radio stations
 - b) renewal of radio licences
 - c) transfers of control or ownership (benefits)

a) Applications for new radio stations

- Between 1 January 2003 and 31 March 2006, the Commission licensed 46 new radio stations through competitive processes in markets across Canada. The successful applicants have committed over \$29.8 million to CTD initiatives over their initial licence terms.
- In addition, there were 138 new radio licences or AM to FM flips granted without a competitive process between 1 January 2003 and 31 March 2006. These licensees committed a combined \$1.9 million towards CTD initiatives.

b) Renewal of radio licences

- As part of their licence renewal applications, all licensees of private commercial radio stations are asked to make an annual financial commitment to CTD.
- In *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, the Commission, in conjunction with the industry, established an approach that would ensure a minimum annual payment of \$1.8 million to eligible third parties associated with CTD. In 2004-05, radio stations contributed \$2.8 million towards CTD initiatives.

c) Transfers of control or ownership (benefits)

- As outlined in the Commercial Radio Policy, applicants for the transfer of ownership or control of commercial radio stations must make commitments that represent a minimum direct financial contribution to CTD of 6% of the value of the transaction. The Commission generally expects that three percent be allocated to the Radio StarMaker Fund/Fonds Radiostar³ music marketing and promotion fund, two percent to either FACTOR⁴ or MUSICACTION⁵ and one percent at the discretion of the purchaser to other eligible CTD initiatives.
- From the adoption of the Commercial Radio Policy to 31 March 2006, the Commission has approved 100 changes in ownership or control involving 377 radio stations.
- CTD commitments (benefits) from these transactions have totalled \$95.2 million.

³ Radio StarMaker Fund, website: <http://www.starmaker.ca/>; <http://www.fondsradiostar.com>

⁴ Foundation to Assist Canadian Talent Records, website: <http://www.factor.ca/>

⁵ MUSICACTION, website: <http://www.musicaction.ca/accueil/index.asp>

Table 2.13: Value of radio transactions and corresponding transfer benefits for the period 1 May 1998 to 31 March 2006

(\$ 000,000)	English-language services			French-language services			Total benefits
	# of Trans.	Value of the transaction*	Benefits	# of Trans.	Value of the transaction*	Benefits	
1 May 98 to 31 Aug. 98	3	9.6	0.3	0	0.0	0.0	0.3
1 Sep. 98 to 31 Aug. 99	17	281.1	14.8	4	5.0	0.3	15.1
1 Sep. 99 to 31 Aug. 00	16	386.8	23.0	4	11.4	0.7	23.7
1 Sep. 00 to 31 Aug. 01	11	98.7	5.7	1	110.0	6.6	12.3
1 Sep. 01 to 31 Aug. 02	14	458.2	27.6	2	227.0	13.6	41.2
1 Sep. 02 to 31 Aug. 03	2	5.5	0.0	1	0.4	0.0	0.0
1 Sep. 03 to 31 Aug. 04	5	3.7	0.2	1	-	-	0.2
1 Sep. 04 to 31 Mar. 05	4	13.7	0.5	1	22	0.7	1.1
1 Apr. 05 to 31 Mar. 06	12	23.9	1.3	2	-	-	1.3
Total	84	1281.2	73.4	16	375.8	21.9	95.2

* Value determined by the Commission for the purpose of calculating transfer benefits.

Source: CRTC Decisions and Administrative approvals

d) Annual CTD contributions reported by radio licensees

- The following table indicates the annual amounts contributed to CTD initiatives by radio licensees. Contributions are based on annual disbursements reported by licensees for the period 1 September to 31 August.

Table 2.14: Annual CTD contributions reported by radio licensees (\$000)

	2001	2002	2003	2004	2005	Total
a) Applications for new radio stations						
FACTOR	200	312	426	1,197	1,227	3,361
MUSICACTION	4	3	9	63	120	200
Music Organization	76	211	294	356	267	1,204
Performing Arts Groups	119	358	517	1,137	1,513	3,644
Schools or Scholarships	579	302	570	619	455	2,526
Radio StarMaker Fund				74	130	204
Other eligible CTD initiatives	197	261	909	1,351	2,082	4,799
Total contributions	1,176	1,446	2,725	4,796	5,794	15,938
b) Renewal of radio licences ⁽¹⁾						
FACTOR	691	829	750	736	859	3,866
MUSICACTION	293	290	246	330	334	1,493
Music Organization	340	491	546	384	555	2,316
Performing Arts Groups	618	563	353	593	562	2,689
Schools or Scholarships	120	108	90	95	226	640
Radio StarMaker Fund			2			2
Other eligible CTD initiatives	264	69	164	287	294	1,077
Total contributions	2,326	2,351	2,150	2,426	2,830	12,083

	2001	2002	2003	2004	2005	Total
c) Transfers of control or ownership (benefits)						
FACTOR	1,177	1,970	4,010	2,645	2,811	12,613
MUSICACTION	300	650	1,447	1,067	1,373	4,837
Music Organization	668	791	1,115	968	764	4,306
Performing Arts Groups	235	229	678	88	434	1,664
Schools or Scholarships	176	159	194	57	107	693
Radio StarMaker Fund	2,635	4,169	6,198	5,806	6,353	25,161
Other eligible CTD initiatives		62	251	121	400	835
Total contributions	5,192	8,031	13,893	10,752	12,242	50,110
Total annual CTD contributions	8,693	11,828	18,768	17,974	20,866	78,130

(1) Following an internal review, some of the contribution amounts have been reclassified and restated.

Source: CRTC Annual returns and financial database run 29 May 2006

2. Other commercial audio services

- Pay audio services are required to contribute a minimum of 4% of the previous year's annual gross revenues to CTD initiatives.
- Multichannel subscription radio services are required to contribute at least 5% of the gross annual revenues to CTD initiatives. This percentage rate increases to 6%, if the number of subscribers exceeds a certain level⁶. Half of these contributions must be directed to the development of Canadian French-language talent and the other half is to be directed to the development of Canadian English-language talent.

F. Promoting the airplay of Canadian and French-language vocal music

- The broadcasting of Canadian music is one of radio's vital contributions towards fulfilling the cultural goals set out in the Act.
- The Commercial Radio Policy increased the required minimum percentage of Canadian popular musical (category 2) selections broadcast each week from 30% to 35% for commercial AM and FM radio stations.
- Although the Commercial Radio Policy maintained the minimum level of French-language vocal category 2 music selections to be aired during each broadcast week at 65%, it introduced the requirement that at least 55% of vocal category 2 music broadcast Monday through Friday between 6 a.m. and 6 p.m. be in the French language.
- These requirements have since been incorporated into the *Radio Regulations, 1986* (Radio Regulations), as amended from time to time.

⁶ See *Satellite subscription radio undertaking – Licence amendment*, Broadcasting Decision CRTC 2006-37, 10 February 2006, for Canadian Satellite Radio Inc. and *Satellite subscription radio undertaking – Licence amendment*, Broadcasting Decision CRTC 2006-38, 10 February 2006, for SIRIUS Canada Inc.

- The Radio Regulations also requires that at least 10% of the traditional and special interest music (category 3) selections broadcast each week be Canadian. Given the limited number of category 3 commercial stations, the Commission reviews Canadian content levels for these stations on a case-by-case basis at licence renewal.
- The following table provides the percentage of radio stations that were in compliance with their Canadian content and French-language vocal music requirements in 2005. The results are based on a limited sample of stations analyzed from 1 January 2005 to 31 December 2005 and are not necessarily representative of the radio industry as a whole.

Table 2.15: Canadian content and French-language vocal music

Canadian content requirements relating to:	Number of stations analyzed in 2005	Stations meeting minimum content requirements	
		All day & weekly	6 a.m. to 6 p.m. Monday to Friday
Canadian musical selections (English & French-language stations)			
Popular (category 2)			
Private commercial stations	31	31	31
Not-for-profit stations *	33	32	not applicable
Special interest (category 3)			
Private commercial stations	3	3	not applicable
Not-for-profit stations *	34	34	not applicable
French-language vocal music			
Private commercial stations	3	2	3
Not-for-profit stations *	14	14	not applicable

* Includes CBC / SRC and community AM, FM and network radio stations.

Source: CRTC, Evaluation of licence renewal applications from 1 January 2005 to 31 December 2005

- The Commission's approach to radio licensees found in non-compliance is outlined in *Practices regarding radio non-compliance*, Circular No. 444, 7 May 2001.

G. Popularity of formats

- Charts 2.8 and 2.9 show the percentage of tuning to Canadian English- and French-language radio stations by format. These charts also indicate the number of Canadian stations that were broadcasting in these formats. The information used is based on BBM Fall 2005 data and excludes tuning to Internet, ethnic, bilingual and U.S. stations.

Chart 2.8: English-language station formats – BBM Fall 2005⁷

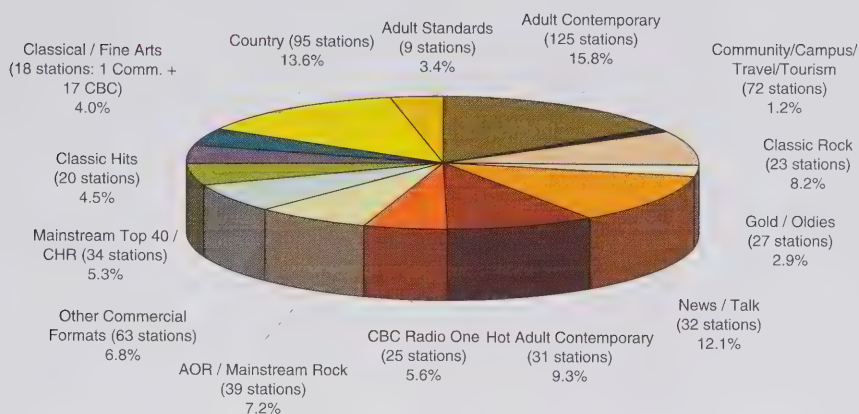
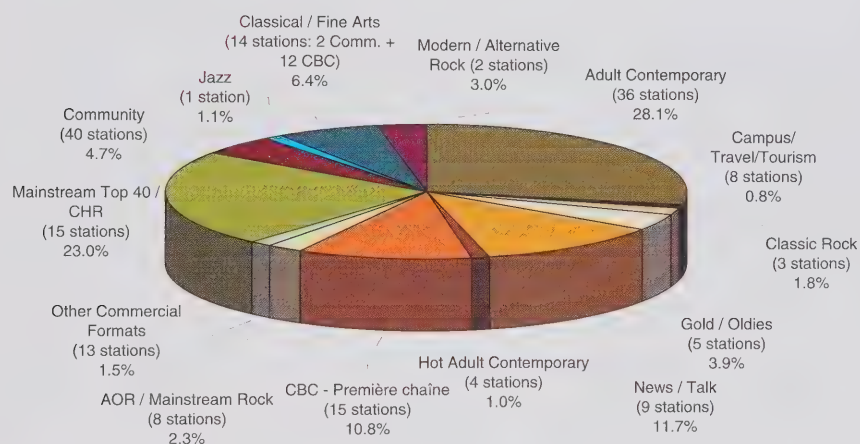


Chart 2.9: French-language station formats – BBM Fall 2005⁸



H. Transitional digital radio

- The Commission issued *A policy to govern the introduction of digital radio*, Public Notice CRTC 1995-184, on 29 October 1995.
- As of 1 May 2006, the Commission has granted 76 licences for transitional digital radio programming undertakings. Of these licences, 57 have been issued to existing commercial radio programming undertakings, one to a stand-alone ethnic radio programming undertaking and 18 to existing CBC stations.

⁷ BBM Fall 2005, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian English-language stations

⁸ BBM Fall 2005, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian French-language stations

Table 2.16: Markets with transitional digital radio stations in Canada⁽¹⁾

Market/Province ⁽²⁾	Commercial			CBC English		CBC French		Total
	English	French	Ethnic	Radio One	Radio Two	Première chaîne	Espace musique	
Montréal, QC	2	6	-	1	1	1	1	12
Ottawa/Gatineau, ON/QC	8	3	-	1	1	1	1	15
Toronto, ON ⁽³⁾	17	-	7	1	1	1	1	28
Vancouver, BC	9	-	-	1	1	1	1	13
Victoria, BC	2	-	-	-	-	-	-	2
Windsor, ON	4	-	-	1	1	-	-	6
All Canada	42	9	7	5	5	4	4	76
	58			18				

(1) Numbers of stations approved but not necessarily on air.

(2) Based on BBM Radio Markets.

(3) Includes a stand-alone ethnic digital radio station located in Toronto.

Source: CRTC APP 1205 report (1 May 2006)

I. Over-the-air ethnic radio

- The Commission revised its ethnic broadcasting policy in *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (Ethnic Policy). The primary goal of this policy is to ensure access by Canadians to ethnic programming to the maximum extent practicable, given resource limitations. As one way of furthering this objective, the Commission has licensed over-the-air ethnic radio broadcasters that specialize in providing ethnic programming.
- Ethnic radio stations are required to devote not less than 60% of the broadcast week to ethnic programming⁹ and at least 50% of all programming broadcast must be third-language programming¹⁰.
- The Commission is of the view that a primary responsibility of over-the-air ethnic radio stations should be to serve and reflect their local community. Licensees are expected to report on past and future local programming initiatives at the time of licence renewal.
- Ethnic stations are also required to serve a range of ethnic groups in a variety of third-languages. This approach allows for the provision of service to groups that would not otherwise be able to afford their own single-language service. However, where many distinct ethnic groups are served in the overall market, individual stations may be permitted to provide more hours of service to fewer groups.

⁹ Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles.

¹⁰ Third-language programming is programming in languages other than English and French or those of Aboriginal peoples of Canada.

- As of 20 April 2006, there were 21 private commercial over-the-air ethnic radio stations authorised to broadcast in Canada. The following is a listing ethnic radio stations by market. The listing also indicates the minimum number of distinct ethnic groups that each station is required to serve in each broadcast week, the minimum number of languages in which they must broadcast as well as certain unique conditions that were imposed to ensure diversity of the programming.

Vancouver

- CHKG-FM is required to broadcast a minimum of 100 hours of ethnic programming per week. It is required to provide programming directed to a minimum of 20 cultural groups in a minimum of 15 different languages. It is not authorized broadcast any programming directed to the Chinese community during weekdays between 6 a.m. and 3 p.m.
- CHMB is required to broadcast ethnic programming directed to a minimum of 12 cultural groups in a minimum of 12 different languages. The station is also required to provide programming directed to Aboriginal people.
- CJRJ is required to provide programming directed to a minimum of 11 cultural groups in a minimum of 17 different languages. All of the station's programming must be devoted to ethnic programming and at least 95% of its programming must be in third-languages. At least 73% of programming must be in the Hindustani and Punjabi languages. This station is not permitted to broadcast in a Chinese language.
- CJVB is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 23 different languages.
- CKYE-FM is required to provide programming directed to a minimum of 15 cultural groups in a minimum of 15 different languages. Not less than 90% of its programming must be ethnic, all of which must be in third languages. Not less than 75% of the ethnic programming must be in the Punjabi, Hindi and Urdu languages. This station is not permitted to broadcast in a Chinese language.

Edmonton

- CKER-FM is required to broadcast ethnic programming directed towards not less than 19 distinct ethnic groups, in not less than 19 different languages.

Calgary

- CHKF-FM is required to provide ethnic programming directed to a minimum of 10 ethno-cultural groups in a minimum of 19 different languages.

Winnipeg

- CKJS is required to broadcast ethnic programming directed towards not less than 19 cultural groups, in not less than 16 different languages. The station must broadcast a minimum of 73 hours 30 minutes of ethnic programs.

Toronto

- CIRV-FM is required to provide programming directed to a minimum of 9 cultural groups in a minimum of 9 different languages.
- CHIN-FM is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 20 different languages.
- CHIN is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 17 different languages.
- CHKT is required to provide programming directed to a minimum of 14 cultural groups in a minimum of 15 different languages.
- CJSA-FM is required to provide programming directed to a minimum of 16 cultural groups in a minimum of 22 languages. The station must devote a minimum of 90% of the programming broadcast to ethnic programs. At least 48% of all ethnic programs must be in the Tamil, Hindi and Filipino languages. A minimum of 80% of the programming broadcast must be in a third language.
- CIAO is required to provide programming directed to a minimum of 12 cultural groups in a minimum of 13 different languages.
- CJMR is required to provide programming directed to a minimum of 11 cultural groups in a minimum of 15 different languages. The station must limit the broadcast of brokered ethnic programming to a maximum of 62% of the broadcast week.
- In *Ethnic AM radio station in Toronto*, Broadcasting Decision CRTC 2006-117, 4 April 2006, the Commission approved an application by Canadian Hellenic Toronto Radio Inc. for a new commercial ethnic AM radio station in Toronto. The new station will direct its programming primarily to the Toronto area's Greek-speaking community and will also provide ethnic programming in Armenian, Romanian, Serbian and Bulgarian, as well as in English. This station will be required to provide programming directed to a minimum of 5 cultural groups in a minimum of 6 languages. The station must also devote a minimum of 88% of the programming to third-language programs.

Montréal

- CFMB is required to provide programming directed to a minimum of 19 cultural groups in a minimum of 18 different languages.
- CJWI is a French-language ethnic station. The station must devote not less than 90% of its programming to French-language ethnic programming, targeting the Haitian, Latin-American and African communities. The remaining 10% must be in a third language.

- CKDG-FM is required to provide programming directed to a minimum of 6 cultural groups in a minimum of 8 languages. The station must devote a minimum of 70% of the programming to ethnic programs. A minimum of 60% of the programming must be in third languages.
- In *Ethnic AM radio station in Montréal*, Broadcasting Decision CRTC 2006-82, 15 March 2006, the Commission approved an application by 9015-2018 Québec inc. (doing business under the name of Radio Moyen Orient du Canada) for a broadcasting licence to operate a new ethnic commercial AM radio station in Montréal. The applicant proposed a service primarily intended for Arab communities in Montréal. The station is required to provide programming directed to a minimum of 10 cultural groups in a minimum of 4 languages.

Ottawa

- CJLL-FM is required to provide ethnic programming directed towards not less than 37 cultural groups, in not less than 20 different languages in each broadcast week. The station must broadcast a minimum of 94% of ethnic programs. At least 92% of programming must be in third languages.

J. Religious radio

- The Commission's policy on religious broadcasting is set out in *Religious Broadcasting Policy*, in Public Notice CRTC 1993-78, 3 June 1993.
- The Commission's approach to religious broadcasting is based on the following principles:
 - Recognition of alternative values: the policy recognizes the legitimate needs and interests of those who wish to receive various kinds of religious programming.
 - Importance of balance: licensees are required to provide balance on matters of public concern and the Commission considers that religion is a matter of public concern. Balance means that a reasonably consistent listener will be exposed to a spectrum of differing views on issues of public concern within a reasonable period of time.
- As of 3 May 2006, there were 67 radio stations licensed to broadcast in a religious spoken word format or in a religious music format. Of these 67 stations, 25 are French-language, 41 are English-language and one is third language.

K. Native radio

- Native radio is governed by the *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990. The policy framework is designed to improve the quality and quantity of access by Aboriginal broadcasters to the Canadian broadcasting system.
- These undertakings play a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.
- The greatest concentration of activity in Aboriginal broadcasting involves community-based radio stations in small remote locations.
- There are two types of Native radio stations:
 - **Type A:** A Native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.

As a result of Exemption order respecting certain native radio undertakings, Public Notice CRTC 1998-62, 9 July 1998, Type A stations are no longer required to hold a broadcasting licence from the Commission.

- **Type B:** A Native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force. There are currently 47 Type B Native radio stations and six native network radio licences.
- Advertising is not the principal source of revenue for Native radio stations.

Table 2.17: Revenues and PBIT margins for Type B Native radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004	2005
<i>Number of radio undertakings reporting</i>	<u>17</u>	<u>18</u>	<u>14</u>	<u>11</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>22</u>
Local advertising	1,168	1,472	1,198	1,082	1,574	1,946	1,608	2,025
National advertising	1	47	83	137	181	223	91	102
Other	4,132	4,938	4,967	6,288	8,474	9,455	7,139	8,169
Total revenues	5,301	6,458	6,249	7,508	10,229	11,624	8,837	10,297
% of Non-advertising revenues	78%	76%	79%	84%	83%	81%	81%	79%
PBIT margin	13.5%	2.8%	13.9%	9.2%	-7.7%	9.6%	-0.6%	5.4%

Notes: 1998 to 2004 figures have been updated to reflect current August 31 aggregate results.

Minor variances are due to rounding.

Source: CRTC financial database

L. Community radio

- The *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000 (Community Radio Policy), states that the primary objective for community radio stations is to provide a local programming service that differs in style and substance from the services provided by commercial stations and the CBC. Programming provided by community radio stations should be relevant to the communities served, including official language minorities, adding diversity to the broadcasting system by increasing program choice in both music and spoken word.
- A community radio station is owned and controlled by a not-for-profit organization, the structure of which provides for membership, management, operation and programming primarily by members of the community at large. In addition to advertising revenues, community radio stations also receive revenues from fundraising, grants, and other sources.
- There are three kinds of community radio stations: Type A, Type B and Developmental. A community station is a Type A station if, at the time of licensing, no radio station other than the CBC is operating in the same language in all or part of the same market. A community station is a Type B station if, at the time of licensing, there is at least one station, other than the CBC, operating in the same language in all or part of the same market. Developmental community stations are generally licensed for three years at which time they are expected to have filed an application with the Commission for a regular community radio licence, or to cease operations.
- As of 3 May 2006, there are 45 Type A, 48 Type B and eight Developmental community stations. Of the Type A community stations, 34 are French-language, 10 are English-language and one is bilingual. Of the Type B community stations, 25 are French-language, 22 are English-language and one is multicultural. There are seven English-language and one bilingual Developmental community stations.

Table 2.18: Revenues and PBIT margins of Type A community radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004	2005
Number of radio undertakings reporting	<u>24</u>	<u>22</u>	<u>22</u>	<u>18</u>	<u>24</u>	<u>24</u>	<u>21</u>	<u>27</u>
Local advertising	2,001	2,117	2,053	2,059	2,309	1,995	2,002	2,511
National advertising	330	459	535	658	654	705	457	760
Other	2,715	2,557	2,195	2,399	2,963	2,902	2,672	3,181
Total revenues	5,046	5,133	4,783	5,116	5,926	5,601	5,131	6,451
% of non-advertising revenues	54%	50%	46%	47%	50%	52%	52%	49%
PBIT margin	8.4%	2.5%	0.4%	2.9%	2.2%	3.3%	2.1%	4.6%

Notes: 1998 to 2004 figures have been updated to reflect current August 31 aggregate results.
 Minor variances are due to rounding.
 Source: CRTC financial database

Table 2.19: Revenues and PBIT margins of Type B community radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004	2005
Number of radio undertakings reporting	<u>20</u>	<u>22</u>	<u>19</u>	<u>23</u>	<u>17</u>	<u>27</u>	<u>23</u>	<u>30</u>
Local advertising	2,878	2,647	2,131	2,891	3,204	4,492	4,077	4,942
National advertising	485	501	596	627	520	929	721	844
Other	2,934	3,256	2,851	2,932	3,058	3,977	3,922	4,295
Total revenues	6,298	6,404	5,579	6,450	6,782	9,398	8,719	10,081
% of non-advertising revenues	47%	51%	51%	45%	45%	42%	45%	43%
PBIT margin	4.4%	4.3%	0.5%	4.6%	2.6%	3.8%	2.5%	2.3%

Notes: 1998 to 2004 figures have been updated to reflect current August 31 aggregate results.

Minor variances are due to rounding.

Source: CRTC financial database

M. Campus radio

- As stated in *Campus radio policy*, Public Notice CRTC 2000-12, 28 January 2000, there are two types of campus radio stations; community-based campus and instructional. A community-based campus station's programming is primarily produced by volunteers who are either students or community members. The primary objective of an instructional campus station is the training of professional broadcasters.
- There are currently 53 campus stations licensed across Canada: 41 community-based campus stations, nine instructional and three Developmental campus stations.
- Of the community-based campus stations, five are French-language and 36 are English-language.
- The majority of campus radio revenues come from sources other than advertising, for example, revenues from the educational institution with which they are associated, grants, the local community and fundraising.

Table 2.20: Revenues for campus radio stations

(\$ 000)	1998	1999	2000	2001	2002	2003	2004	2005
Number of radio undertakings reporting	<u>32</u>	<u>35</u>	<u>27</u>	<u>28</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>37</u>
Local advertising	730	891	557	505	575	706	472	934
National advertising	54	85	41	50	55	94	50	52
Other	3,369	3,985	3,217	3,332	3,056	3,852	3,655	4,869
Total revenues	4,152	4,960	3,816	3,886	3,686	4,651	4,177	5,855
% of non-advertising revenues	81%	80%	84%	86%	83%	83%	88%	83%

Notes: 1998 to 2004 figures have been updated to reflect current August 31 aggregate results.

Minor variance are due to rounding.

Source: CRTC financial database.

N. Low-power radio

- The licensing policy for low-power radio is set out in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002. This policy includes a definition of markets where low-power frequencies will be deemed to be scarce, circumstances where a call for competing applications may occur and a priority system for assessing competing low-power radio applications.
- The following table sets out the number of low- and very low-power radio stations in Canada by type as of 31 March 2006 .

Table 2.22: Number of originating low- and very low-power radio stations in Canada, by type

Type	Private English-language	Private French-language	Other	Total
Tourist / Travel	70	3	1	74
Native type B	20	5	1	26
Religious	21	21	-	42
Community - Type A	5	6	-	11
Community - Type B	9	2	-	11
Community Development	1	1	-	2
Campus community	9	-	-	9
Campus instructional	4	-	-	4
Commercial	14	2	1	17
Specialty	-	-	1	1
Total	153	40	4	197

Source: CRTC Decisions

O. Audio services delivered by broadcasting distribution undertakings

1. Specialty audio services

- In *New licensing framework for specialty audio programming services*, Broadcasting Public Notice CRTC 2002-53, 12 September 2002, the Commission recognized the scarcity of over-the-air frequencies by offering an opportunity for a range of new discretionary specialty audio programming services distributed through other means.
- Specialty audio services are defined as audio programming services that are radio undertakings, other than licensed over-the-air services, delivered by BDUs and are specialized with respect to their content and/or target audience.
- There is no limit to the amount of advertising that may be broadcast on these services. There is also no carriage guarantee.
- As of 19 April 2006, the Commission has approved eight specialty audio services (one regional and seven national) targeting three ethnic communities and four Christian communities.

2. Pay audio programming services

- In 1995,¹¹ following a competitive process, the Commission approved two national pay audio programming services; namely Galaxie and Max Trax. These services offer 30 channels of commercial-free music. Each channel is devoted to a specific type of music, including classical, contemporary Christian, jazz, rap, rock, etc.
- Galaxie and Max Trax are carried on a discretionary basis by major distributors across Canada. Subscriber revenue is the only revenue source for these services.

P. Multi-channel subscription radio services

- In *Introduction to Broadcasting Decisions CRTC 2005-246 to 2005-248: Licensing of new satellite and terrestrial subscription radio undertakings*, broadcasting Public Notice CRTC 2005-61, 16 June 2005, the Commission set out the licensing framework for satellite subscription radio services and announced approval of three national subscription radio undertakings that provide a package of radio channels to subscribers for a monthly fee.
- The programming of two of the authorized services, Canadian Satellite Radio Inc. (CSR) and SIRIUS Canada Inc. (Sirius Canada), is delivered primarily by satellite with terrestrial transmitters as required to fill the gaps in coverage. Each of these North American satellite based services provides a mix of Canadian and non-Canadian produced channels. The CSR and Sirius Canada services were launched in December 2005.
- The programming of the third authorized service (an undertaking to be operated by CHUM) will be delivered entirely by terrestrial transmitters and all channels will be Canadian-produced. At the time of the writing of this report, the services had not yet been launched.

Q. The national public broadcaster

- The CBC is Canada's national public broadcaster. As such, pursuant to section 3(1)(l) of the Act, it should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

1. Over-the-air radio stations

- The CBC operates four national radio network services: Radio One and Radio Two in English, and La Première Chaîne and Espace musique in French. Additionally, the CBC provides a unique radio service in Canada's North, broadcasting in English,

¹¹ *Licensing of four new pay audio programming undertakings*, Public Notice CRTC 1995-218, 20 December 1995; *New Pay Audio Programming Undertaking (Select Digital Music)*, Decision CRTC 93-235, 25 June 1993

French and eight Aboriginal languages. The CBC also operates Radio-Canada International, an international short-wave radio service.

- CBC radio services broadcast commercial-free and are funded by the federal government.

2. Pay audio service

- The CBC owns and operates the national pay audio service Galaxie. The revenues of this bilingual service are derived entirely from subscriber revenues.

3. Satellite subscription radio undertaking

- The CBC is also a partner¹² in the satellite radio service SIRIUS Canada, which was launched in December 2005.

R. Commercial Radio Policy Review

- The *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998 (Commercial Radio Policy) had the following three major objectives:
 - to ensure a strong, well-financed radio industry that is better poised to achieve its objectives under the Act and to meet the challenges of the 21st century;
 - to ensure pride of place for Canadian artists; and
 - to ensure that a French-language presence in radio broadcasting is maintained.

In order to ensure the fulfillment of these objectives, the Commercial Radio Policy introduced a number of new regulatory measures. The Commission also indicated that it would review its approach to commercial radio in five years time.

- In 2003, the Commission decided to postpone this review until the subscription radio licensing process had been completed. That process was completed in June 2005.
- In *Review of the Commercial Radio Policy*, Broadcasting Notice of Public Hearing CRTC 2006-1, 13 January 2006, the Commission invited written comments from interested parties and announced that it would hold a public hearing beginning on 15 May 2006.
- In addition to reviewing the effectiveness of the measures implemented in the existing Commercial Radio Policy, this review provided an important opportunity for all interested parties to express their views as to what policy framework would be necessary for commercial radio stations to maintain healthy, successful business in the face of growing competition, while still meeting the objectives of the Act.

¹² CBC and Standard Radio each hold a 40% voting interest in Sirius Canada. The remaining 20% is held by Sirius Satellite Radio Inc., an American corporation.

- In particular, the appropriate strategic responses to broad challenges relating to the likely impact of other audio technologies, such as satellite radio, Internet radio, podcasting, file sharing and down-loading, on commercial radio and the music industry were discussed.
- The Commission also explored the possibility of the creation of new policies that would assist the commercial radio sector in:
 - making effective contributions to Canadian artists through airplay of Canadian music, French-language vocal music, and contributions to CTD that are commensurate with the financial health of the sector;
 - providing listeners with a greater diversity of musical genres, and airplay for a greater variety of Canadian artists in both official languages;
 - reflecting the multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within society;
 - providing listeners with an appropriate amount of locally produced news and information; and
 - assisting the transition to digital transmission, as well as exploiting new and emerging platforms in a manner that furthers the objectives of the Act.

III. Television

A. Audience

1. Average weekly hours by age group

- The following tables provide the average weekly viewing hours by age group for the 2001-02 to 2004-05 broadcast years, using BBM national metered data for all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.

Table 3.1: Per viewer¹ average weekly viewing hours by age group

Broadcast year	All persons 2+	Children 2-11	Teens 12-17	Adults			
				18+	18-34	18-49	25-54
2001/02	28.7	19.3	20.9	30.9	25.0	26.5	27.7
2002/03	28.6	18.8	21.1	30.6	24.4	25.9	27.3
2003/04	28.6	19.3	21.3	30.7	24.6	26.0	27.5
2004/05	28.1	20.5	21.3	29.9	23.3	25.0	26.5

Source: BBM Television Databook 2005-2006

Table 3.2: Per capita² average weekly viewing hours by age group

Broadcast year	All persons 2+	Children 2-11	Teens 12-17	Adults			
				18+	18-34	18-49	25-54
2001/02	23.7	16.3	16.4	25.7	19.8	21.4	22.8
2002/03	23.4	15.5	16.0	25.4	19.3	20.8	22.4
2003/04	24.7	17.5	17.9	26.5	20.7	22.0	23.3
2004/05	25.1	19.2	18.6	26.6	20.4	22.0	23.2

Source: BBM Television Databook 2005-2006

- Neilsen Media Research data indicates that the per capita average weekly viewing hours for all persons 2+ in 2003-04 and 2004-05 were 26.5 and 25.7 respectively.

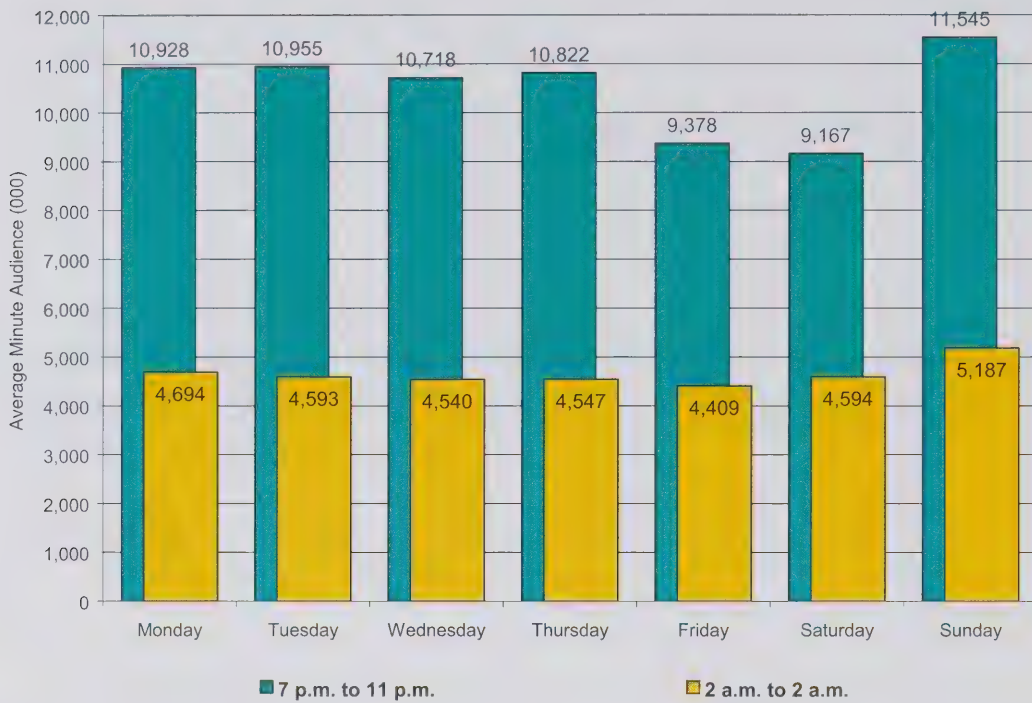
2. Average minute audience (AMA)

- The following chart sets out the AMA for each day of the week and during the peak viewing period of 7 p.m. to 11 p.m.

¹ Average number of hours that the viewer spends watching television in an average week.

² Average number of hours that the population spends watching television in an average week (average hours divided by the population).

Chart 3.1: Weekly average minute audience by day
 BBM metered data for all persons 2+
 2004-05 broadcast year
 Monday to Sunday, 2 a.m. to 2 a.m.



Source: BBM InfoSys, 2004-05 TV Season, August 30, 2004 to August 28, 2005

- Sunday continues to be the most popular television viewing day of the week.

3. Viewing share of Canadian and non-Canadian services by language and type of service

Table 3.3: BBM Metered data – 2002-03, 2003-04 and 2004-05 broadcast years⁽¹⁾ for all persons 2+ Monday to Sunday, 2 a.m. to 2 a.m.

Viewing share %	All Canada				Quebec				All regions excluding Quebec			
	02/03	03/04	04/05	Inc./Dec.	02/03	03/04	04/05	Inc./Dec.	02/03	03/04	04/05	Inc./Dec.
Canadian services												
<i>English-language</i>												
CBC & affiliates	4.9	5.6	4.3	-0.6	1.2	1.3	1.1	-0.1	6.1	7.0	5.5	-0.6
Private conventional	23.2	22.0	22.7	-0.5	4.9	4.9	4.6	-0.3	29.5	28.1	29.4	-0.1
Pay & specialty	24.3	26.7	27.1	2.8	4.4	4.8	4.1	-0.3	31.1	33.9	34.9	3.9
Digital pay & specialty	1.4	1.7	2.0	0.6	0.6	0.7	0.2	-0.4	1.8	2.1	2.7	0.9
Total English-language	53.8	56.0	56.1	2.3	11.1	11.6	10.0	-1.1	68.4	70.9	72.4	4.1
<i>French-language</i>												
SRC & affiliates	3.0	2.8	3.6	0.6	11.7	10.9	13.4	1.7	0.1	0.2	0.1	-0.1
Private conventional	10.2	9.9	9.8	-0.4	40.4	39.3	37.2	-3.3	0.2	0.1	0.1	-0.2
Télé-Québec	0.7	0.7	1.0	0.3	2.7	2.6	3.7	1.0	0.0	0.0	0.0	0.0
Pay & specialty	6.9	7.4	7.7	0.8	26.8	29.0	29.5	2.8	0.2	0.2	0.1	-0.1
Digital pay & specialty	0.0	0.0	0.1	0.1	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0
Total French-language	20.8	20.8	22.2	1.4	81.6	81.7	84.2	2.6	0.5	0.5	0.2	-0.3
<i>Other-languages</i>												
Private conventional	0.9	1.1	1.1	0.2	0.3	0.3	0.4	0.0	1.1	1.2	1.3	0.2
Pay & specialty	0.4	0.4	0.4	0.0	0.1	0.1	0.1	0.0	0.5	0.6	0.6	0.1
Digital pay & specialty	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other-languages	1.3	1.5	1.5	0.2	0.4	0.4	0.5	0.1	1.6	1.9	1.9	0.3
APTN	0.1	0.1	0.1	0.0	0.0	0.1	0.0	-0.0	0.1	0.1	0.1	0.1
Total Canadian services	76.0	78.4	79.9	3.9	93.2	93.8	94.7	1.5	70.6	73.3	74.7	4.1
Non-Canadian services												
US conventional	9.4	8.6	7.7	-1.7	3.6	3.3	2.8	-0.8	11.3	10.5	9.3	-2.1
PBS	1.3	1.2	1.2	-0.1	0.5	0.3	0.5	0.0	1.6	1.5	1.4	-0.1
Pay & specialty	10.5	9.0	8.7	-1.8	2.2	1.9	1.4	-0.7	13.3	11.4	11.3	-1.9
TOTAL non-Canadian services	21.2	18.8	17.6	-3.6	6.2	5.5	4.7	-1.5	26.2	23.4	22.0	-4.1
Other services												
VCR ⁽³⁾	4.9	3.6	2.4	-2.5	4.7	3.4	0.3	-4.4	4.7	3.6	3.1	-1.6
Other ⁽²⁾	1.9	2.0	2.0	0.1	0.5	0.5	0.6	0.0	2.4	2.5	2.6	0.2
Total	100	100	100		100	100	100		100	100	100	
Total hours (000,000)	667.9	727.9	751.7	83.7	167.0	184.1	204.0	37.0	501.0	543.8	547.7	46.7

Note: Minor variances are due to rounding

(1) Broadcast years: 2002/03: September 1, 2002 to August 31 2003; 2003/04: September 1, 2003 to August 29, 2004; 2004/05: August 30, 2004 to August 28, 2005.

(2) Includes cable services such as CPAC, real estate, TV Guide, The Shopping Channel, Shaw Community Cable, CPAC-F, Télé-Annonce, provincial services such as Access, Knowledge, Ontario Legislature, SCN, TVO, Ass. Nat. and TFO.

(3) A change in methodology occurred as of August 30, 2004, when the wireless, passive Portable People Meter (PPM) technology replaced existing wired meter service (PMT) for Quebec (Franco), and diaries for the Montreal (Franco) market. Please note that when analyzing the 2004-2005 data for Quebec (Franco), VCR was not measured, but will be included beginning September 2006.

Source: InfoSys, BBM metered data

- In all provinces excluding Quebec, Canadian English language private conventional services achieved a 29.4% share of total viewing in 2005, a level consistent with the previous few years. The downward trend in viewing to these services has levelled off since 2000-01.
- In all provinces excluding Quebec, Canadian English-language pay and specialty services, including digital, achieved a 37.6% viewing share in 2005. The trending is still going up, but at a slower pace, for viewing to pay and specialty services.
- In Quebec, the SRC improved its viewing share to 13.4% in 2005, while Canadian private French-language conventional services decreased their share slightly to 37%. Pay and specialty services, including digital, improved their position to 30%.
- The total Canadian services viewing share continues to rise on an annual basis both within Quebec and for all regions excluding Quebec.

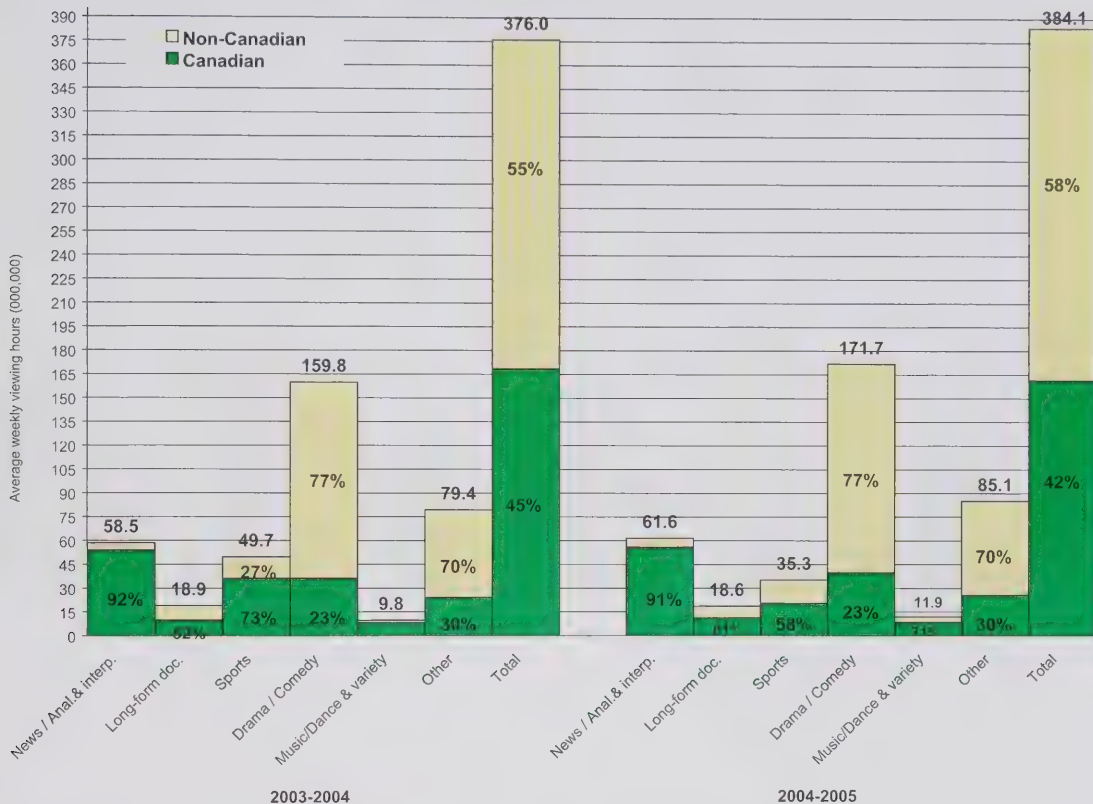
4. Distribution of viewing by program genre³

- The following charts reveal the trends in viewing to English- and French-language Canadian television services by program genre. These charts provide the average number of weekly viewing hours to Canadian and non-Canadian programming using BBM metered audience data for the 2003/04 (September 1, 2003 to August 29, 2004) and 2004/05 (August 30, 2004 to August 28, 2005) broadcast years.
- The charts indicate the relative popularity of each genre as well as the viewing of Canadian versus non-Canadian programming offered by Canadian services. Charts 3.2 and 3.6 provide overall viewing trends for all English- and French-language Canadian services. Charts 3.3, 3.4, 3.5, 3.7, 3.8 and 3.9 provide a further breakdown of the viewing trends between Canadian private conventional services, CBC/SRC conventional services and Canadian pay and specialty services.

³ Program genre or type is based on the definitions set out in the Television Broadcasting Regulations, 1987 and Specialty Services Regulations, 1990. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat. 11) programs.

a) English-language Canadian services

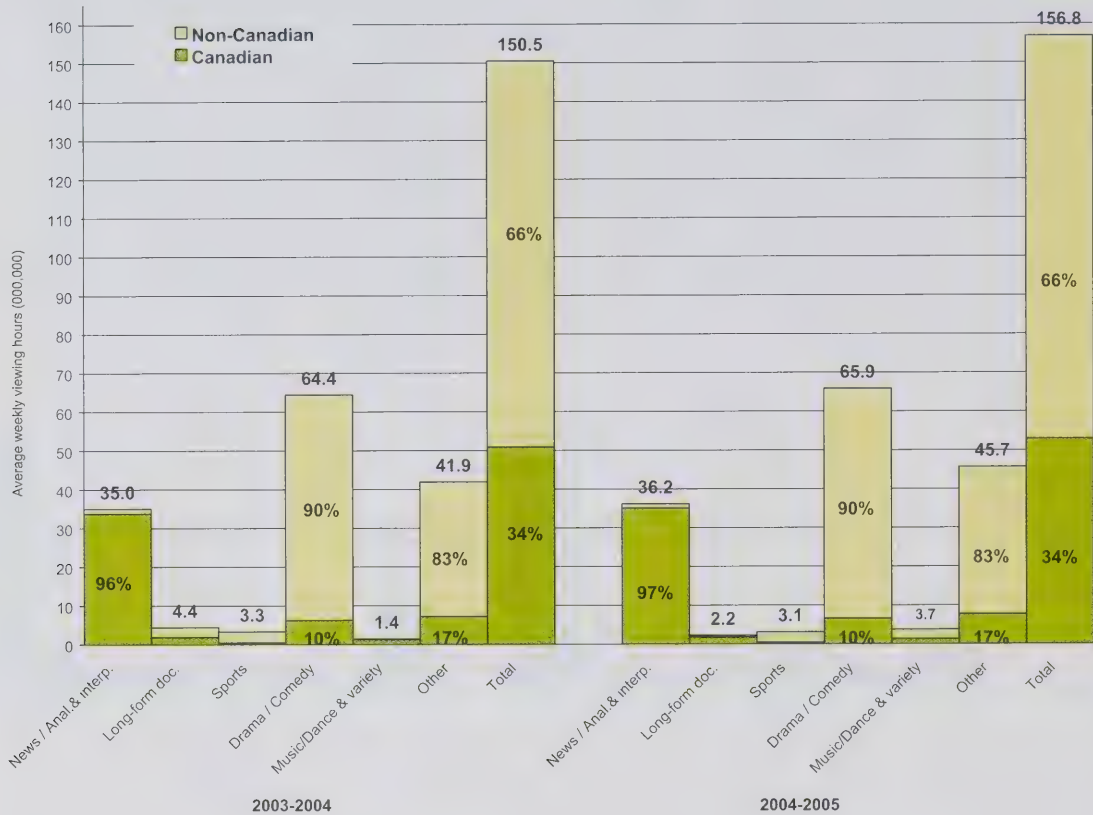
Chart 3.2: Viewing of Canadian and non-Canadian programs distributed by English-language Canadian television services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

- The chart reveals the continued popularity of drama/comedy programming broadcast by English services.
- The viewing of Canadian programs on English services differs significantly between genres. Viewing of news and analysis & interpretation programming is predominantly to Canadian programs. In contrast, viewing of drama/comedy programming is predominantly to non-Canadian programs.
- The overall viewing of Canadian programs on Canadian English-language services in 2004/05 broadcast year was 42% of the total viewing.

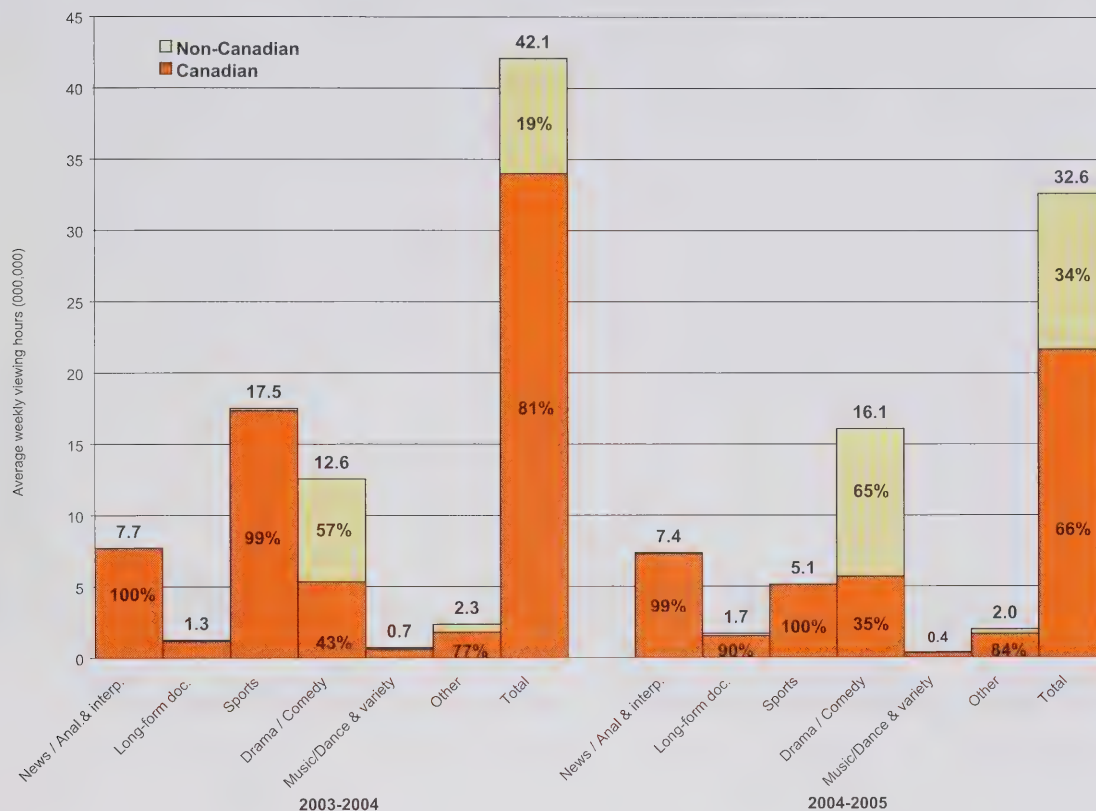
Chart 3.3: Viewing of Canadian and non-Canadian programs distributed by Canadian English-language private conventional services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

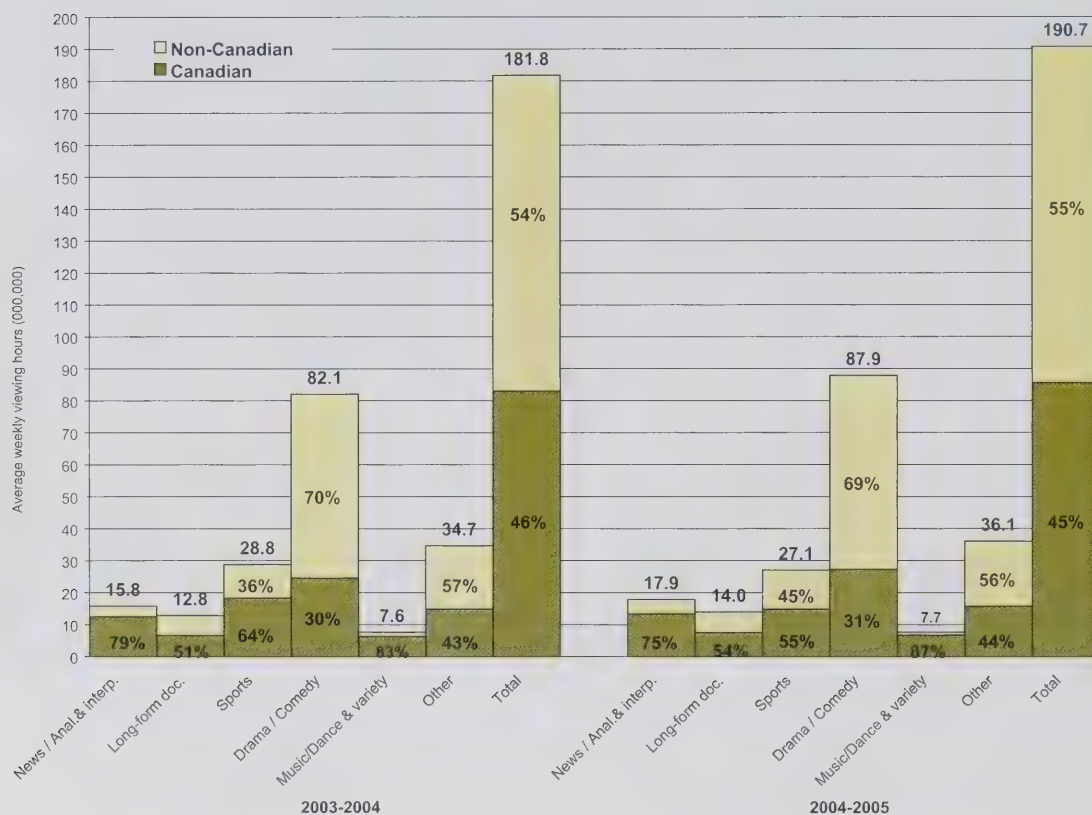
- The overall viewing of Canadian programs on English-language private conventional services in 2004/05 broadcast year was 34% of the total viewing.
- Viewing to Canadian drama/comedy programs represented 10% of the total viewing to the genre in 2004-05.

Chart 3.4: Viewing of Canadian and non-Canadian programs distributed by English-language CBC conventional services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

Chart 3.5: Viewing of Canadian and non-Canadian programs distributed by English-language Canadian pay and specialty services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)

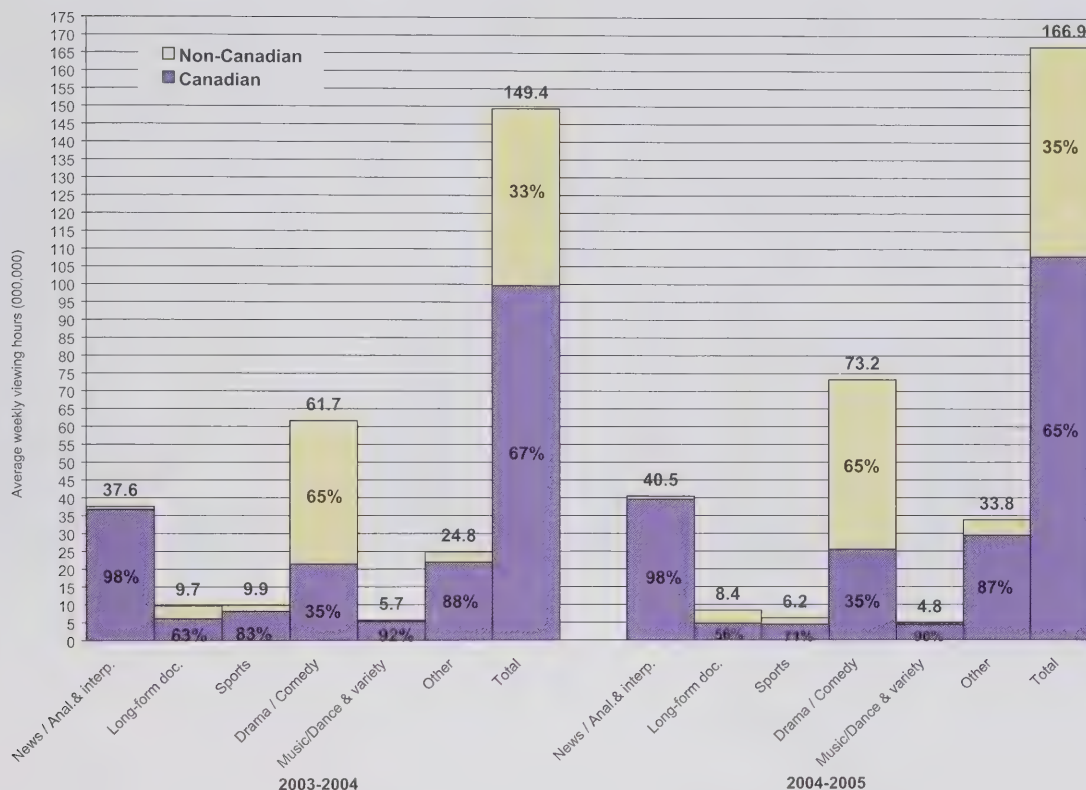


Based on Canadian services with available program level data that incorporates country of origin and program genre

- The overall viewing of Canadian programs on English-language pay and specialty services in 2004/05 broadcast year was 45% of the total viewing.
- The viewing of Canadian drama/comedy programming in 2004/05 was 31% of total viewing to drama/comedy programming.

b) French-language Canadian services

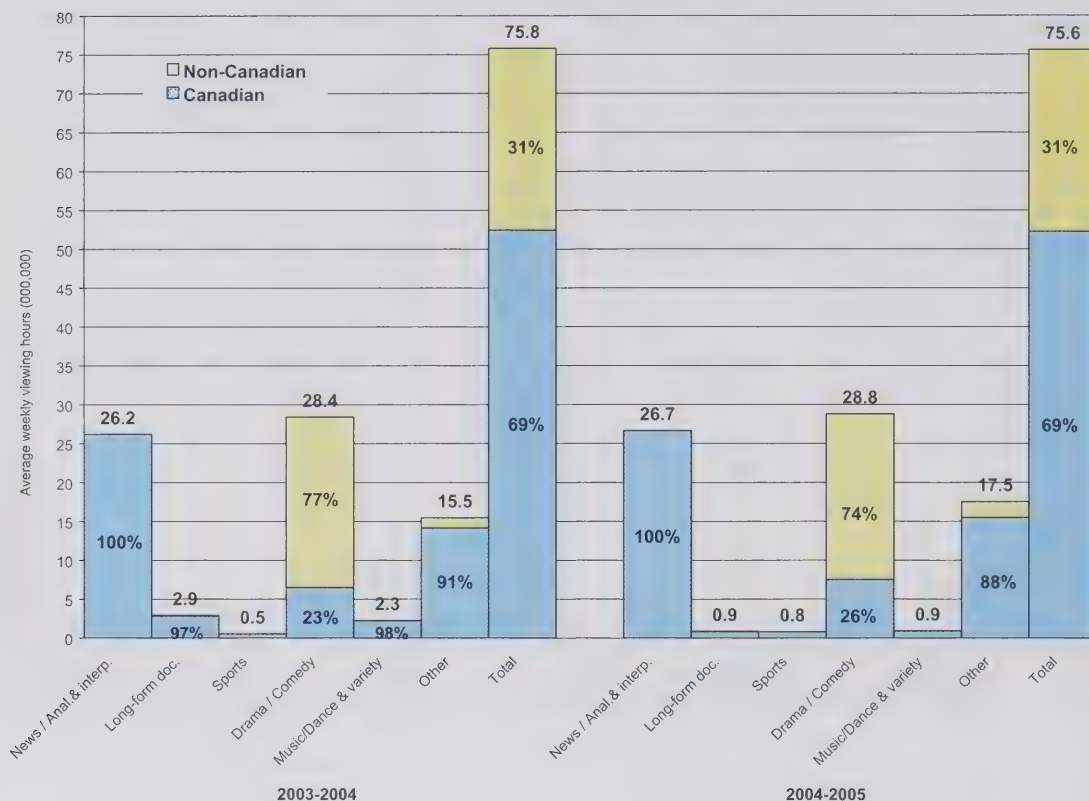
Chart 3.6: Viewing of Canadian and non-Canadian programs distributed by French-language Canadian television services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

- Drama/comedy programming is the most popular genre on French-language services, followed by news and analysis & interpretation programming.
- For French services, viewing is predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing is mostly to non-Canadian programming.

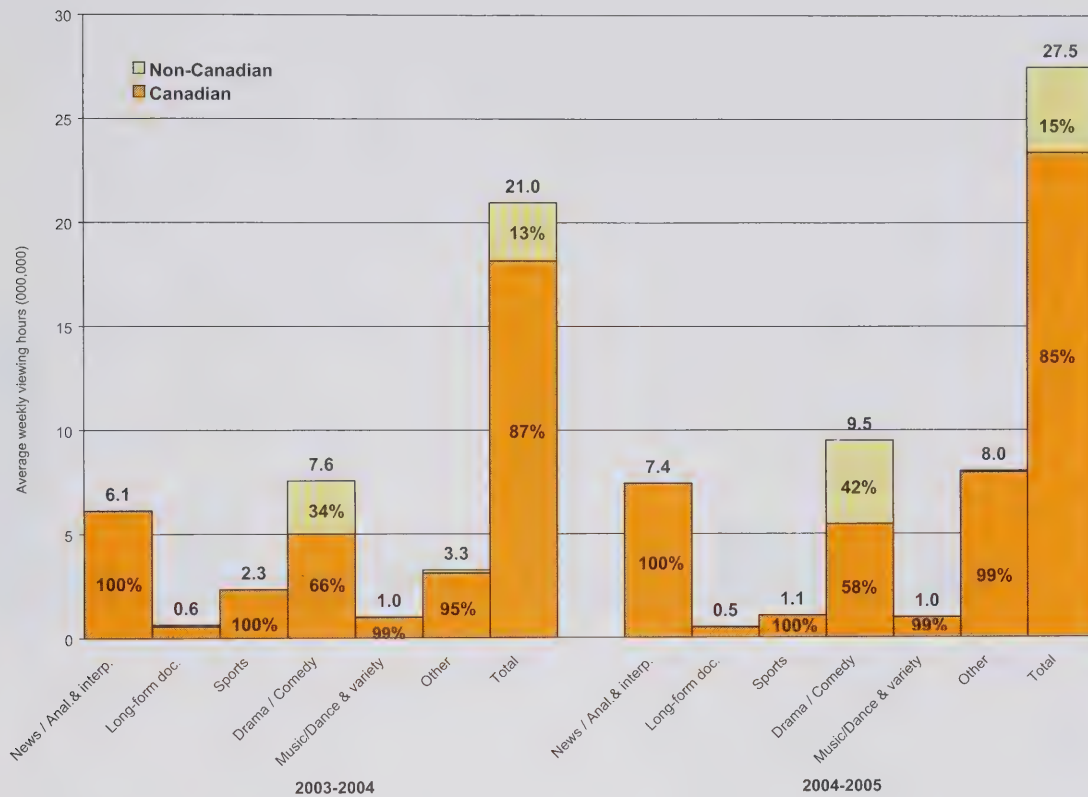
Chart 3.7: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language private conventional services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

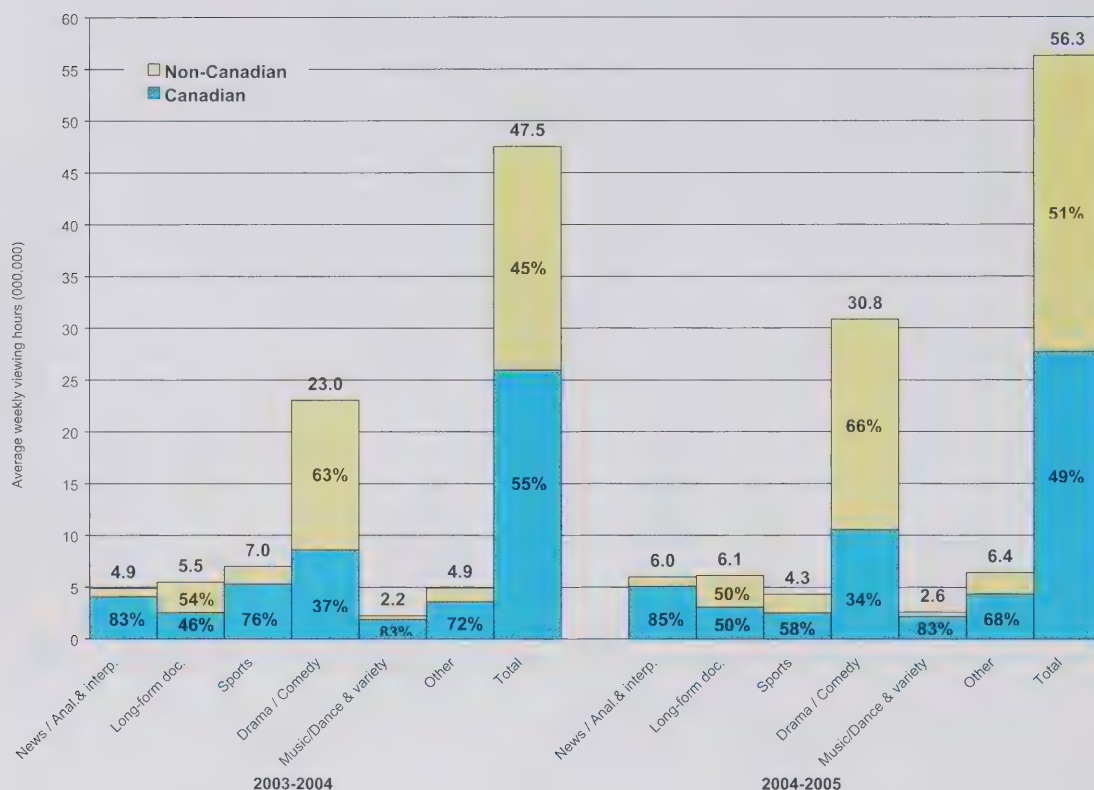
- The overall viewing of Canadian programs on French-language private conventional services in 2004/05 broadcast year was 69% of the total viewing.
- Viewing to Canadian drama/comedy programs represented 26% of the total viewing to the genre in 2004-05.

Chart 3.8: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language SRC conventional services by program origin and genre – BBM metered data – 2003/04 and 2004/05
broadcast years – 2 a.m. to 2 a.m. – persons 2+ –
average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

Chart 3.9: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language pay and specialty services by program origin and genre – BBM metered data – 2003/04 and 2004/05 broadcast years – 2 a.m. to 2 a.m. – persons 2+ – average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre

- The overall viewing of Canadian programs on French-language pay and specialty services in 2004/05 broadcast year was 49% of the total viewing.
- The viewing of Canadian drama/comedy programming in 2004/05 was 34% of total viewing to drama/comedy programming.

B. Canadian television programming

1. Canadian priority programming

- In the Television Policy, the Commission indicated that one of its goals in developing the policy is to “ensure quality Canadian programs at times when Canadians are watching.”
- The Television Policy states that the Commission wishes to ensure the availability of a sufficient number of hours of diverse Canadian programming in order to attract audiences during peak viewing periods (7 p.m. to 11 p.m.).

- In the Television Policy, “under-represented” Canadian programming (drama, music and dance, and variety programs) was redefined as “priority programming” and expanded to include long-form documentaries, regionally-produced programs and entertainment magazine programs.
- The Television Policy also requires that the largest multi-station ownership groups offer as a minimum, in each broadcast year, an average of eight hours per week of Canadian priority programming during the 7 p.m. to 11 p.m. peak viewing period. This requirement is in addition to any benefit commitments made by these broadcasters in connection with transfers of ownership or control. Currently, CTV, Global, TVA and CHUM⁴ meet the Commission’s definition of largest multi-station ownership groups.
- The 150% dramatic time credit that previously could be applied against regulated Canadian content requirements was also discontinued for the largest multi-station ownership groups. In its place, the Commission introduced a 150% priority programming time credit for Canadian drama programs that receive the full ten Canadian key creative points and a 125% time credit for Canadian drama programs that receive between six and nine points. The broadcasters can apply these time credits against their minimum eight-hour per week priority programming requirement.⁵
- The majority of the television stations controlled by CTV and Global were renewed in 2001.⁶ TVA’s network television licence and its mother station CFTM-TV Montréal were also renewed in 2001.⁷ TVA’s five regional stations were renewed in 2004.⁸ In its renewal decisions, the Commission indicated that it would be monitoring and evaluating Canadian priority programming scheduling practices and related audience levels, in order to test whether the goals of the Television Policy were being achieved.
- The 2001 renewal decisions for TVA and CTV also outlined significant transfer benefits related to priority programming that the groups were required to fulfill during their next licence term:
 - In *Transfer of effective control of CTV Inc. to BCE Inc.*, Decision CRTC 2000-747, 7 December 2000, the Commission required the licensee to broadcast a minimum of 175 hours of original Canadian priority programming over the licence term (in addition to the base level of eight hours per week), and a

⁴ The Commission approved the transfer of effective control of Craig’s conventional television stations to CHUM on 19 November 2004. As a result, CHUM is now considered to be a large multi-station ownership group (Decision 2004-502).

⁵ Definitions for new types of priority programs; revisions to the definitions of television content categories; definitions of Canadian dramatic programs that will qualify for time credits towards priority programming requirements, Public Notice CRTC 1999-205, 23 December 1999.

⁶ Licence renewals for the television stations controlled by CTV, Decision CRTC 2001-457, 2 August 2001; Licence renewals for the television stations controlled by Global, Decision CRTC 2001-458, 2 August 2001.

⁷ Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001.

⁸ CFCM-TV Québec, CHEM-TV Trois-Rivières, CHLT-TV Sherbrooke, CFER-TV Rimouski and its transmitter CFER-TV-2 Gaspé-Nord, CJPM-TV Saguenay and its transmitter CJPM-TV-1 Chambord – Licence renewals, Broadcasting Decision CRTC 2004-530, 3 December 2004.

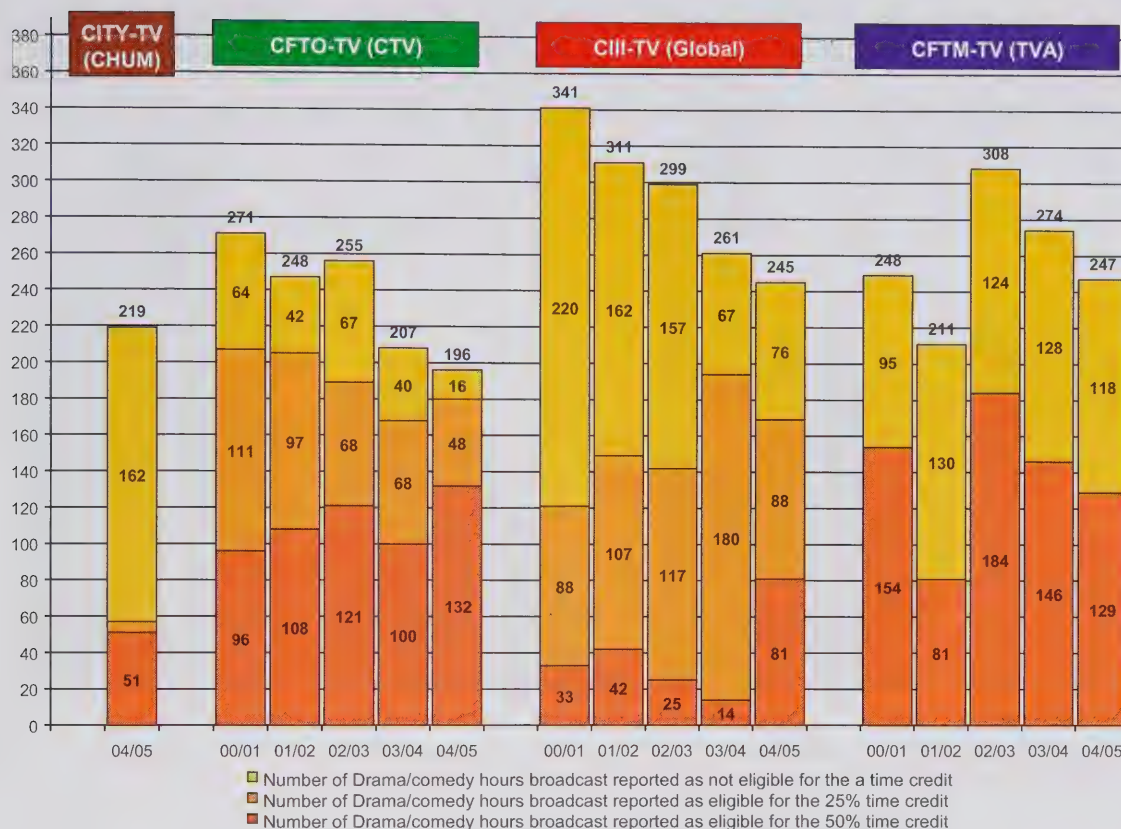
minimum total incremental expenditure of \$140 million over the licence term on the benefits-related priority programming.

- In *Transfer of effective control of TVA to Québecor Média inc.*, Decision CRTC 2001-384, 5 July 2001, the Commission required the licensee to expend a minimum of \$39.8 million of the benefits on priority programming, incremental to a base level of priority programming expenditures as outlined in the decision.
- The priority programming benefits for both TVA and CTV commenced in the 2001/2002 broadcast year.

a) Scheduling of Canadian priority programs during the peak viewing period

- Charts 3.10 and 3.11 set out the number of hours of Canadian priority programming scheduled during the peak viewing period of 7 p.m. to 11 p.m. by CFTO-TV (CTV) Toronto, CIII-TV (Global) Toronto, and CFTM-TV (TVA) Montréal for each of the 2000/01 to 2004/05 broadcast years.
- The charts also indicate the hours of Canadian priority programs scheduled by CITY-TV (CHUM) Toronto for the 2004/05 broadcast year. CHUM joined the ranks of the largest multi-station ownership groups in November 2004.
- The results are based on the revised definitions of priority programming that came into effect on 1 September 2000.
- The following chart sets out the number of drama/comedy priority programming hours broadcasted by each of the stations
- The number of hours broadcast that also qualified for the additional 50% or 25% drama/comedy time credits is also highlighted in this chart.

Chart 3.10: Number of hours of drama/comedy priority programming broadcasted annually – 7 p.m. to 11 p.m.

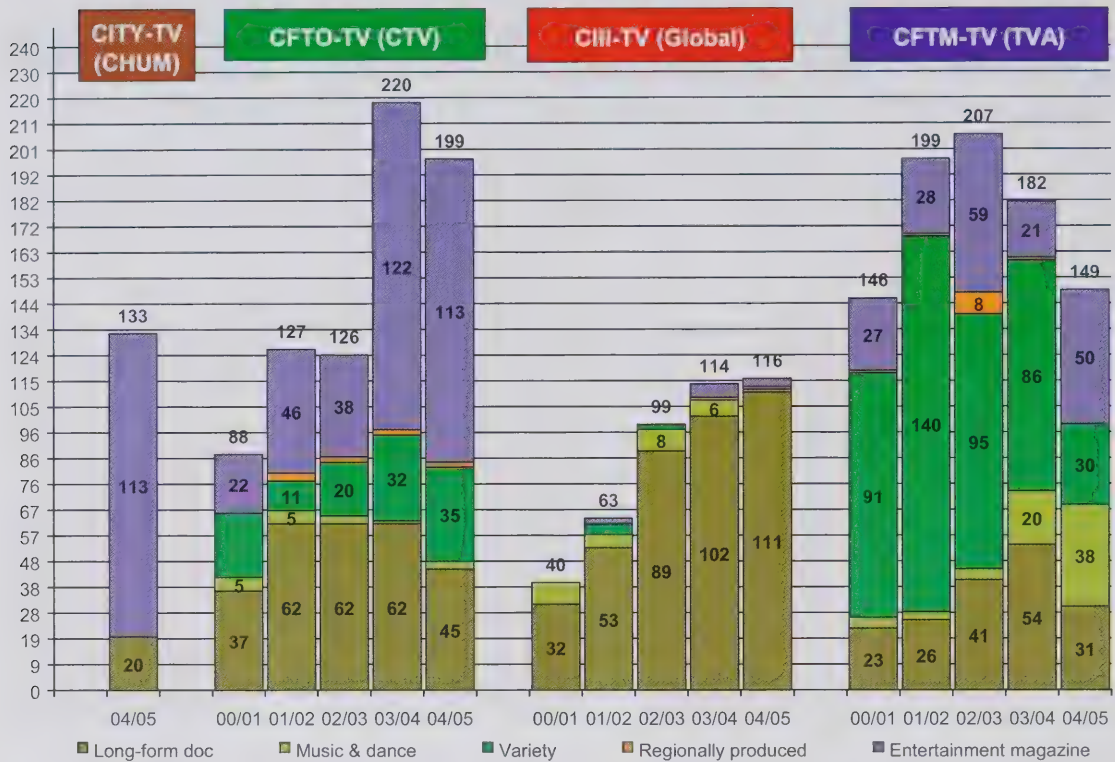


Note: Reflects hours broadcast from September 1st to August 31st.

Source: Licensee and CRTC Logs (October 2005)

- The following chart sets out the number of hours of Canadian priority programming, other than drama/comedy, broadcasted by the stations.

Chart 3.11: Number of hours of non-drama/comedy Canadian priority programming broadcasted annually – 7 p.m. to 11 p.m.



Note: Reflects hours broadcast from September 1st to August 31st.
Source: Licensee and CRTC Logs (October 2005)

2. Incentives for original Canadian television drama⁹

- The Commission considers that a healthy and successful Canadian broadcasting system must include popular drama programs that reflect Canadian society and project Canada's stories onto the world stage. It is through television drama that most Canadians participate in their national culture and share in the evolution of social values and stories of human passion. Drama can, and should, reflect Canadians of every background and culture to each other.
- In May 2003, the Commission began a process intended to encourage the production and broadcast of original Canadian drama programming during peak viewing hours. To this end, the Commission introduced drama incentive programs for both English-language and French language television drama.
- The Commission intends to review these incentive programs on an on-going basis to determine if adjustments are required. Given the lead time required to plan and

⁹ Drama and comedy programming.

produce drama programming, the Commission is of the view that it is too early to reach conclusions on the effectiveness of the current package of incentives.

- Each licensee participating in these incentive programs is required to file annual reports detailing the use of these incentives. The first reports, with the 2004-05 broadcast year results, were filed with the Commission on 30 November 2005.¹⁰ Global, Alliance Atlantis, Corus, CTV, TVA QQS and CHUM have submitted reports.

a) Incentives for original French-language Canadian television drama

- In *Incentives for French-language Canadian television drama*, Broadcasting Public Notice CRTC 2005-8, 27 January 2005 (Public Notice 2005-8), the Commission set out a program of incentives that is designed to maintain a proper balance of original Canadian French-language drama, including a minimum number of high-cost programs or series, broadcast by French-language television licensees during the peak viewing period of 7 p.m. to 11 p.m.
- In Public Notice 2005-8, the Commission set out the general criteria of eligibility for six types of original French-language Canadian drama programming. Each type carries a different reward in terms of the number of additional minutes of advertising permitted.
- TVA and QQS conventional television stations are also required to broadcast a minimum number of hours of eligible drama programming before they can access any additional advertising minutes provided under this incentive program.
- In 2004-05 broadcast year, TVA and QQS reported 133.5 hours of original drama programming that met the eligibility criteria. This resulted in 125 minutes of additional advertising available to the participants. The participants reported having used 62.5 of these advertising minutes.

b) Canadian English-language drama

- In *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004 (Public Notice 2004-93), the Commission set out its program of incentives designed to increase the production and the broadcast of, the viewing to, and the expenditures on, high-quality, original Canadian English-language drama programming.
- In *Viewing and expenditure for English-language Canadian television drama – Call for comments*, Broadcasting Public Notice CRTC 2005-81, 10 August 2005 (Public Notice 2005-81) and in *Viewing and expenditure incentives for English-language Canadian*

¹⁰ The first year's reports detailing the 2004-05 broadcast year results are available on the CRTC's website http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

television drama, Broadcasting Public Notice CRTC 2006-11, 27 January 2006 (Public Notice 2006-11) the Commission set out targets for the viewing and expenditure components of the Commission's drama incentives.

i) Incentive 1: Incentives to increase the production and broadcast of high quality original hours of Canadian English-language drama programming

- The purpose of these incentives is to increase the production and broadcast of high-quality original hours of Canadian English-language drama programming.
- These incentives relate to the production and broadcast of three types of original drama programming, each carrying a different reward in terms of the number of additional minutes of advertising permitted. CTV, Global and CHUM conventional television stations are also required to broadcast a minimum 26 hours of eligible drama before accessing additional advertising minutes.
- In 2004-05 broadcast year, participating conventional and specialty services reported 153.5 hours of original drama programming that met the eligibility criteria resulting in 3 hours and 16 minutes of additional advertising available to the participants. Participants reported having used just under 2 hours of these additional advertising minutes.

ii) Incentive 2: Incentive to increase the viewing to Canadian English-language drama on Canadian English-language services

- The objective of this incentive is to increase the viewing to English-language Canadian drama on Canadian English-language services as a percentage of all drama viewing on Canadian English-language services.
- In order to qualify for additional advertising minutes, each service is required to achieve annual viewing targets. For broadcasters taking advantage of the incentive for original drama production (Incentive 1), if their viewing levels meet or exceed the annual targets set by the Commission, then the licensee is permitted to broadcast an additional 25% of the total advertising permitted pursuant to Incentive 1.
- The targets for English-language specialty services have been established for individual services, based on the 2003-04 viewing levels for each service. Participating services are required to increase total viewing levels by 1.5% annually over a five-year period.
- The target objective established for English-language private conventional television services is to increase the total Canadian drama viewing hours on private conventional television services from 9.2% in 2003-04 to 16.5% in 2008-09.

- The following table provides viewing results for drama/comedy¹¹ programming achieved by the largest English-language conventional groups in Canada for the 2003-04 and 2004-05 broadcast year. The table also shows 2004-05 viewing target levels.

**Table 3.4: Viewing to Canadian drama/comedy in the Toronto, Vancouver and Calgary markets, by ownership group for all persons 2+, 6 a. m. to 6 a. m., 2003-04 and 2004-05 broadcast years
Nielsen Media Research metered data**

Ownership group*	Stations located in the Toronto / Vancouver / Calgary markets	Percentage of average weekly viewing hours (%)		2004-05 viewing target levels
		Base year 2003-04	Year-1 2004-05	
CHUM	CITY-TV / CKVU-TV & CIVI-TV / CKAL	9.1**	12.1	10.6
CTV	CFTO-TV / CIVT-TV / CFCN-TV	10.5	9.7	11.7
Global	CIII-TV & CHCH-TV / CHAN-TV & CHEK-TV / CICT-TV	8.4	8.7	10.0
CBC	CBLT-TV / CBUT-TV / CBRT-TV	39.6	30.4	n/a

Notes: Excludes viewing to drama programs where the country of origin was not identified – less than 1% of total hours.

* Owned and operated conventional television stations

** The 2003-04 percentage of average weekly viewing excludes CHUM's Calgary station CKAL-TV, which was acquired late 2004.

iii) Incentive 3: Incentive to increase the expenditures on Canadian English-language drama by private English-language conventional services

- The objective of this incentive is to increase the spending on English-language Canadian drama by the English-language private conventional television industry from 3.3%, the 2003-04 level, to 6% of total revenues, over a five-year period.
- Broadcasters taking advantage of the incentives for original drama production are able to recoup part of their expenditures on drama through additional advertising minutes. Where their expenditure increases meet or exceed the target set by the Commission, the licensee is permitted to broadcast an additional 25% of the total advertising permitted pursuant to incentive 1.
- Excluded from these calculations are expenditures on drama programs relating to commitments made at the time of licensing, ownership transfer benefits and CTF "top-up" funding.
- The following table set outs the annual Canadian drama expenditure targets along with the 2003-04 base year and 2004-05 first year results for the largest individual ownership groups.

¹¹ Category 7a to 7g, Drama and Comedy programming as defined in the Television Broadcasting Regulations, 1987 and Specialty Services Regulations, 1990.

Table 3.5: Canadian drama expenditures⁽¹⁾ expressed as a percentage of gross revenues for the largest conventional television ownership groups

	2003/04 Base-Yr	04/05 Yr-1
Annual Canadian drama expenditure targets ⁽²⁾	3.3%	3.9%
Global ⁽³⁾	3.4%	4.0%
CTV	3.5%	3.0%
CHUM ⁽⁴⁾	3.3%	2.7%

(1) Excludes expenditures on drama programs relating to commitments made at the time of licensing, ownership transfer benefits and CTF "top-up" funding.

(2) Public notice 2005-81 and 2006-11.

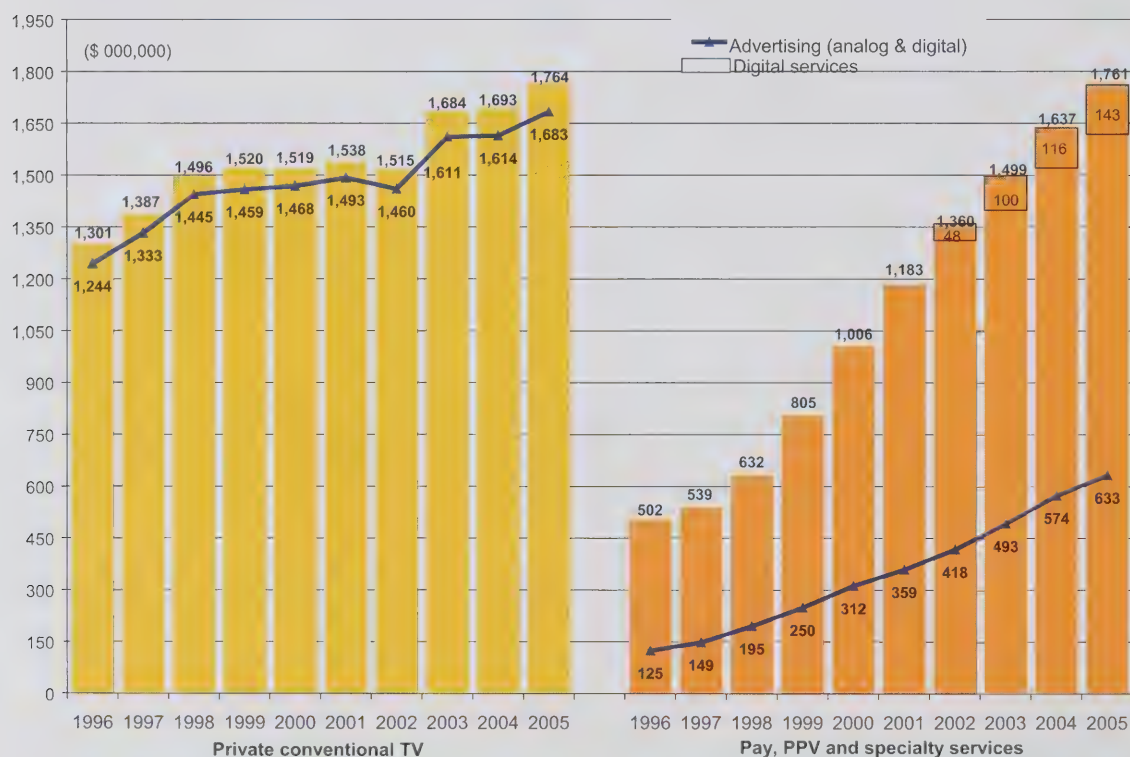
(3) CJNT-TV Montreal, an ethnic station is not included in these calculations.

(4) Excludes CKX-TV Brandon and CHMI-TV Portage LaPrairie, CKEM-TV Edmonton and CKAL-TV Calgary stations which were acquired late 2004.

C. Financial performance

1. English-language private services

Chart 3.12: Revenues of English-language private conventional television and pay, PPV & specialty services

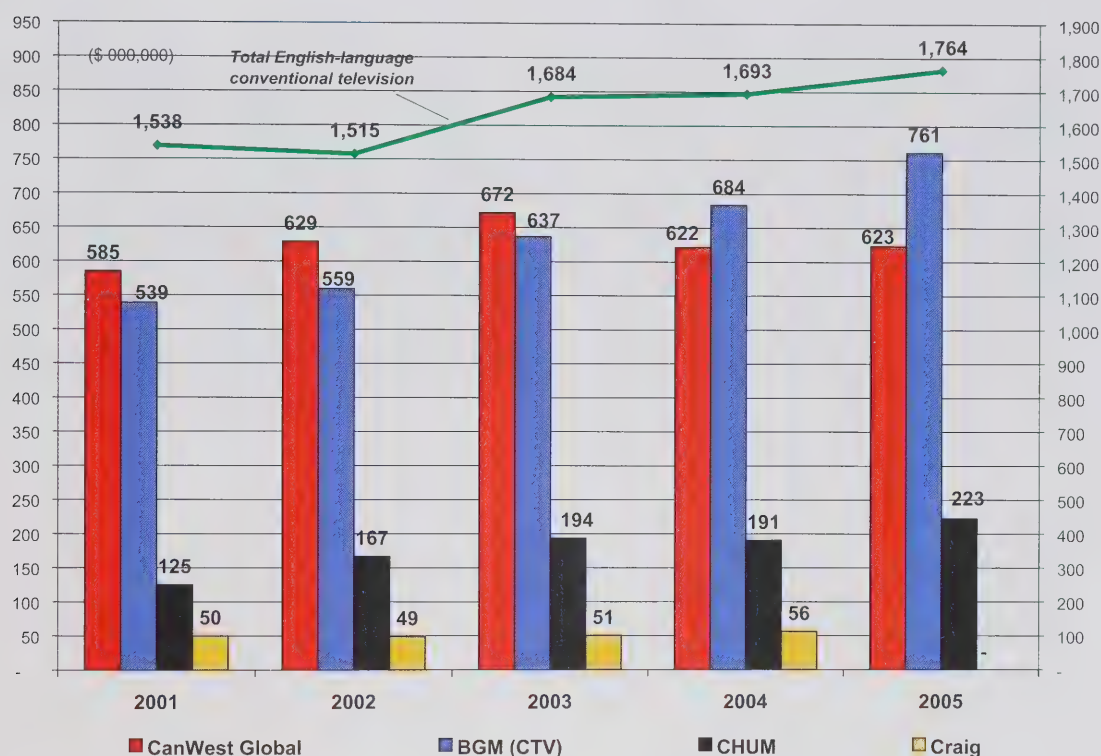


Notes: Private conventional television includes revenues from ethnic conventional television stations, as a significant portion of their revenues are derived from English-language programs. In this, and future reports, the financial results of ethnic and third-language pay and specialty services are reported separately. Bilingual services are combined with English-language Pay, PPV and specialty services. Private conventional television and Pay, PPV and specialty revenues have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

- Pay, PPV and specialty revenues continue to increase steadily. The number of English-language services more than doubled from 1996 to 2002, increasing from 19 to 41 services. In 2002, an additional 46 English-language digital services reported first year results. The number of digital services increased to 50 in 2004 and 53 in 2005.
- Specialty television services have a revenue stream from both advertising and subscription. In 2005, 44% of their revenues were derived from advertising revenues. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

Chart 3.13: Revenues of English-language private conventional television services by ownership group



Source: CRTC financial database

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year. Ownership is based on the date of the approving Decision, not the official closing date of the transaction. The station's entire annual revenue is attributed to the ownership group that was deemed to be its owner as of 31 August.
- CHUM acquired the CKVU-TV Vancouver¹² station and launched CIVI-TV Victoria¹³ in 2001. Revenues for these stations are included in 2002. CHUM also acquired CKEM-TV Edmonton, CKAL-TV in Calgary, CHMI-TV Portage LaPrairie and CKX-TV Brandon television stations from Craig¹⁴ in November 2004. Revenues for these four stations are included in 2005.
- CTV revenues for 2001 and 2002 include the CTV network plus CTV stations, less the network payments to CTV affiliates. Revenues for the CFCF-TV Montréal station are included in 2002.
- The Commission approved the transfer of effective control of Craig's Alberta and Manitoba conventional television stations to CHUM¹⁵ and its Toronto conventional television station to Quebecor Media¹⁶ in November 2004.

¹² Transfer of control of CKVU-TV Vancouver, Decision CRTC 2001-647, 15 October 2001.

¹³ New television station on Vancouver Island, Decision CRTC 2000-219, 6 July 2000.

¹⁴ Decision CRTC 2004-502.

¹⁵ Decision CRTC 2004-502.

¹⁶ Decision CRTC 2004-503.

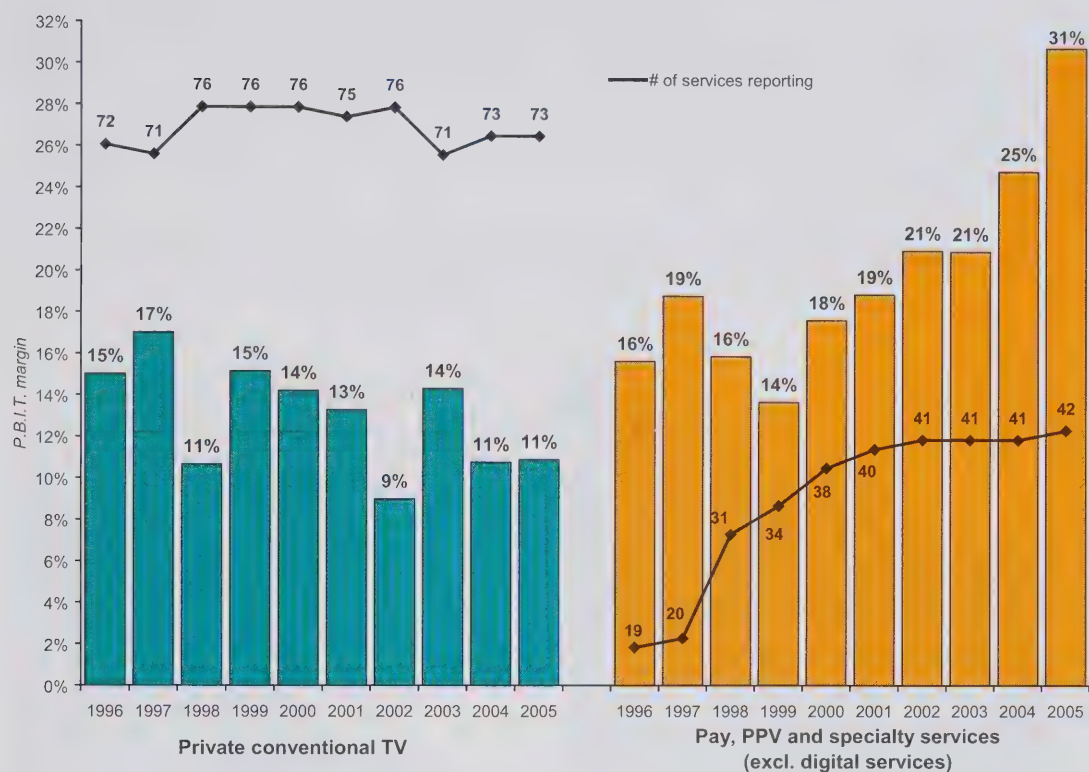
- Large private conventional television ownership groups continue to account for approximately 95% of the total revenues reported by private English-language conventional television stations. This percentage has remained roughly the same since 1998.
- CTV owns and operates twenty-one English-language conventional television stations and a satellite-to-cable service. It also has affiliation agreements with three private independently owned television stations. Its network operation reaches approximately 99%¹⁷ of English-speaking Canadians. CTV also holds a 40% voting interest in TQS Inc. TQS Inc. owns and operates eight French-language Canadian conventional television stations.
- CanWest Global owns and operates nineteen English-language conventional television stations as well as an independent conventional ethnic station located in Montréal. Its network operation reaches more than 94%¹⁸ of English-speaking Canadians.
- CHUM owns and operates 12 English-language conventional television stations located in Ontario (six), Manitoba (two), Alberta (two) and British Columbia (two). CHUM's combined stations reach approximately 85%¹⁹ of English-speaking Canadians.

¹⁷ Bell Globemedia website 6 February 2006: www.bellglobemedia.com

¹⁸ CanWest Global Communications website 6 February 2006: <http://www.canwestglobal.com>

¹⁹ Decision CRTC 2004-502

Chart 3.14: Aggregate PBIT²⁰ margins of English-language private conventional television & pay, PPV and analog specialty services



Notes: Private conventional television includes ethnic conventional television stations, as a significant portion of their revenues are derived from English-language programming. In this, and future reports, the financial results of ethnic and third-language pay and specialty services are reported separately. Bilingual services are combined with English-language Pay, PPV and specialty services. Private conventional television and Pay, PPV and specialty results have been updated to reflect current August 31 aggregate results.

In 2003, CTV sold six of its conventional television stations to the CBC (CKNC-TV, CFCL-TV, CJIC-TV, CHNB-TV, CKBI-TV and CKOS-TV). Two new conventional television stations (OMNI-2 Toronto and Channel M, CHNM-TV Vancouver) began reporting in 2003. CKXT-TV Toronto began reporting in 2004.

Source: CRTC financial database

- The drop in profitability in 1998 for conventional television stations was due to five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn.
- The number of pay, PPV and specialty services has been climbing steadily over the past several years. The introduction of 11 new analog services in 1998 caused the aggregate PBIT margin decrease in 1998 and 1999.
- The 2005 pay, PPV & specialty results reflect \$499 million in profits from the analog services with a PBIT margin of 31%. The increase in profitability from 25% in 2004 to 31% in 2005 is in part due to the National Hockey League lockout in the 2004-05

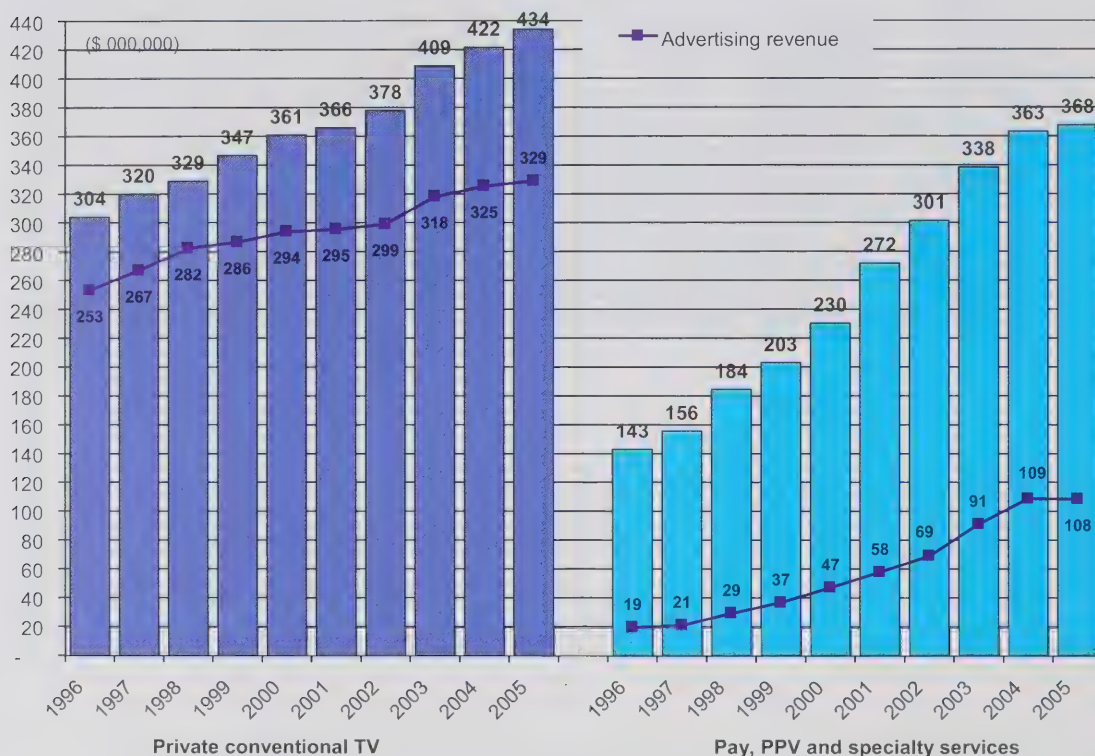
²⁰ Profit before interest & taxes (PBIT)

broadcast year. This significantly decreased the expenditures on sports programming by specialty services such as TSN and Rogers SportsNet.²¹

- Not included in this chart are digital pay and specialty services that reported \$47 million losses in 2005. Pay, PPV and specialty digital and analog services achieved a combined PBIT margin of 26% in 2005.

2. French-language private services

Chart 3.15: Revenues of French-language private conventional television & analog, pay, PPV and specialty services



Note: Excludes bilingual services.

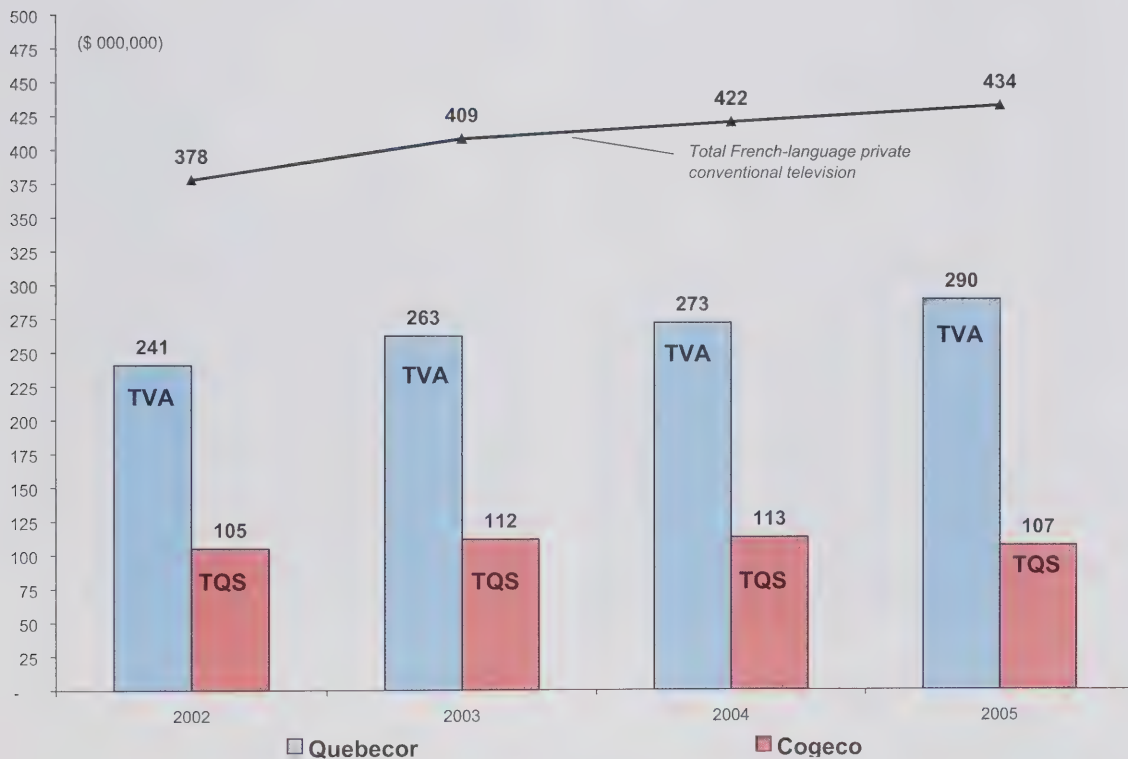
Source: CRTC financial database

- Revenue growth for French-language private conventional stations averaged 4% per year from 1996 to 2002. Revenues increased by 8%, 3% and 3% in 2003, 2004 and 2005 respectively. The number of stations has remained unchanged since 1993.

²¹ In TSN and RDS – Licence amendment, Broadcasting Decision CRTC 2005-388, 9 August 2005 and SportsNet – Licence amendment, Broadcasting Decision CRTC 2005-387, 9 August 2005, the Commission granted TSN and SportsNet services spending flexibility relating to their Canadian programming expenditure requirements for the 2004/2005 broadcast year, noting that the services would have to achieve their required overall spending levels by the end of the current licence term.

- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1996, the number of these services has increased from seven to 25 in 2005. In 2005, one digital category 2 and three digital category 1 services reported first-year revenues totalling \$1.3 million.
- Total 2005 advertising revenues reported by French-language pay, PPV and specialty services decreased by \$1.2 million or 1% from the previous year. This decrease was largely due to the impact of the National Hockey League lockout that occurred in the 2004-05 broadcast year.
- 64% of the French-language specialty services revenues are derived from subscription revenues.

Chart 3.16: Revenues of French-language private conventional television services by ownership group

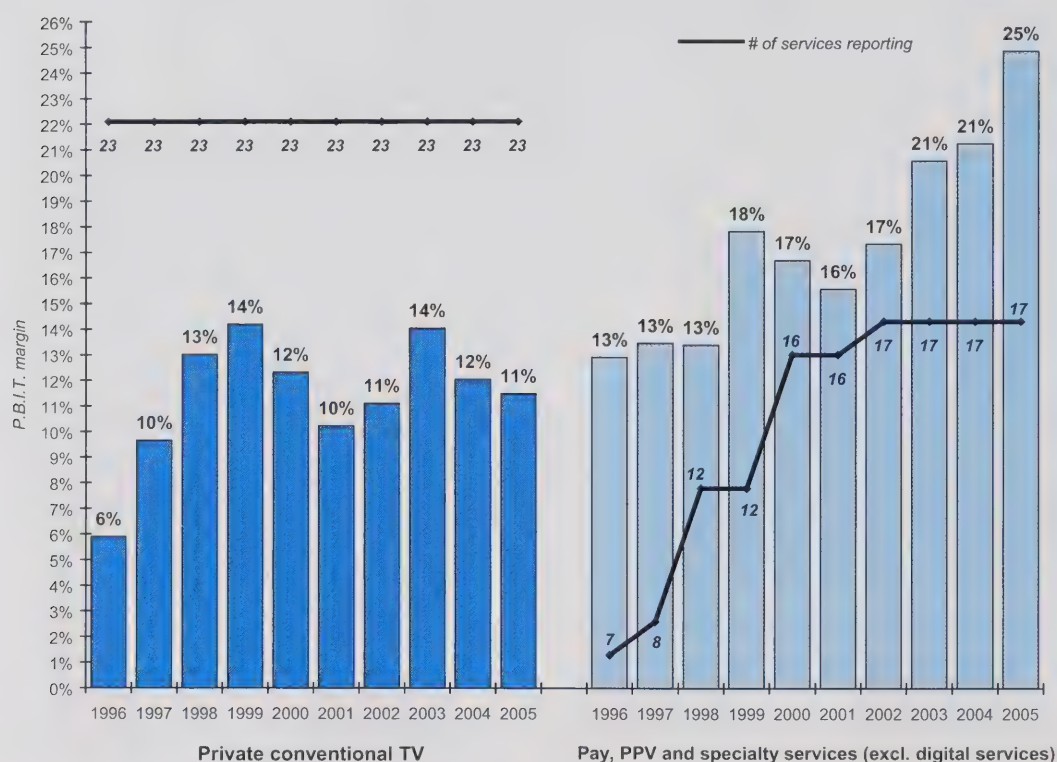


Note: Based on conventional stations owned or controlled by the ownership group on August 31st of each year. Ownership is based on the date of the approving Decision, not the official closing date of the transaction. The station's entire annual revenue is attributed to the ownership group that was deemed to be its owner as of 31 August.
Source: CRTC financial database

- Quebecor and Cogeco accounted for 92% of the total revenues reported by private French-language conventional television in 2005.

- TVA is the largest private French-language conventional television broadcaster in Canada. In addition to the network, TVA owns and operates six television stations, including CFTM-TV Montréal and CFCM-TV Québec. It also has affiliation agreements with four private independently owned television stations and it holds a 45% ownership interest in two of these stations. The TVA service has been licensed for national distribution since 1998.
- TQS owns and operates eight French-language television stations (five TQS & three SRC affiliate stations) located in the province of Quebec. It also operates TQS, a French-language television network originating in Montréal.

Chart 3.17: Aggregate PBIT margins of private French-language conventional television & pay, PPV and analog specialty services



Source: CRTC financial database

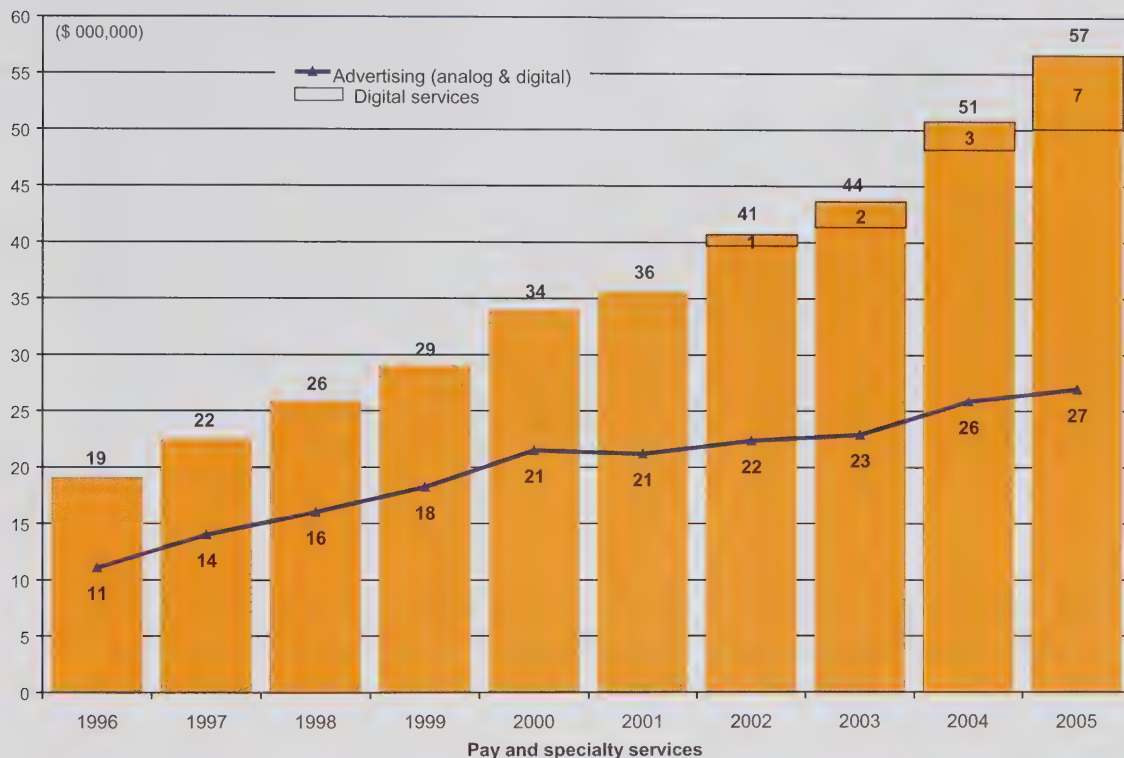
- In 2002, the number of French-language specialty services increased from 16 to 17 with the addition of ARTV.
- The pay, PPV and specialty results in 2005 reflect \$91 million in profits before interest and taxes with a PBIT margin of 25%. The increase in profitability from 21% in 2004 to 25% is in part due to the National Hockey League lockout in the 2004-05

broadcast year which significantly reduced the programming expenditures of the sports specialty service RDS.²²

- Not included above, the digital services reported first-year PBIT losses of \$5.5 million. The combined PBIT margin of analog and digital French-language services was 23% in 2005.

3. Ethnic & third-language pay and specialty services

Chart 3.18: Revenues of ethnic and third-language pay and specialty services

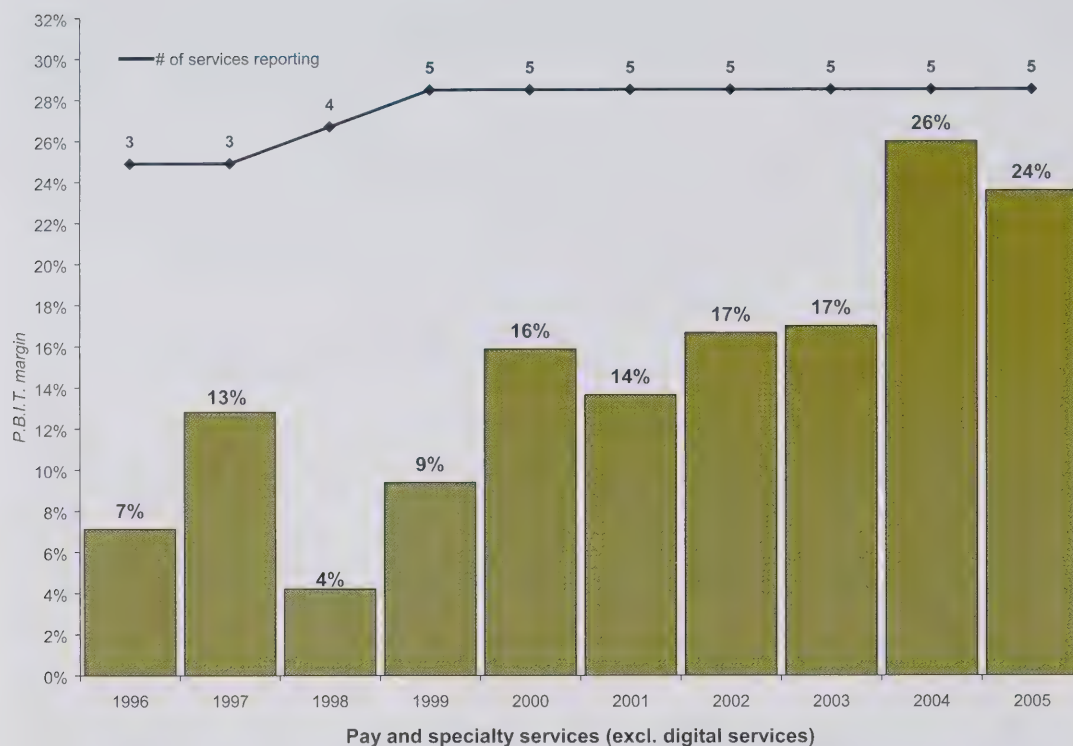


Source: CRTC financial database

- Ethnic and third-language pay and specialty revenues continue to increase. The number of analog ethnic specialty services increased from three to five from 1996 to 1999. In 2002, an additional 3 ethnic and third-language digital services reported first year results. The number of ethnic digital services reporting in 2003 and 2004 was 4, which increased to 17 in 2005.

²² In TSN and RDS – Licence amendment, Broadcasting Decision CRTC 2005-388, 9 August 2005 the Commission granted the RDS service spending flexibility relating to their Canadian programming expenditure requirements for the 2004/2005 broadcast year, noting that the services would have to achieve their required overall spending levels by the end of the current licence term.

Chart 3.19: Aggregate PBIT²³ margins of ethnic and third-language pay and specialty analog services



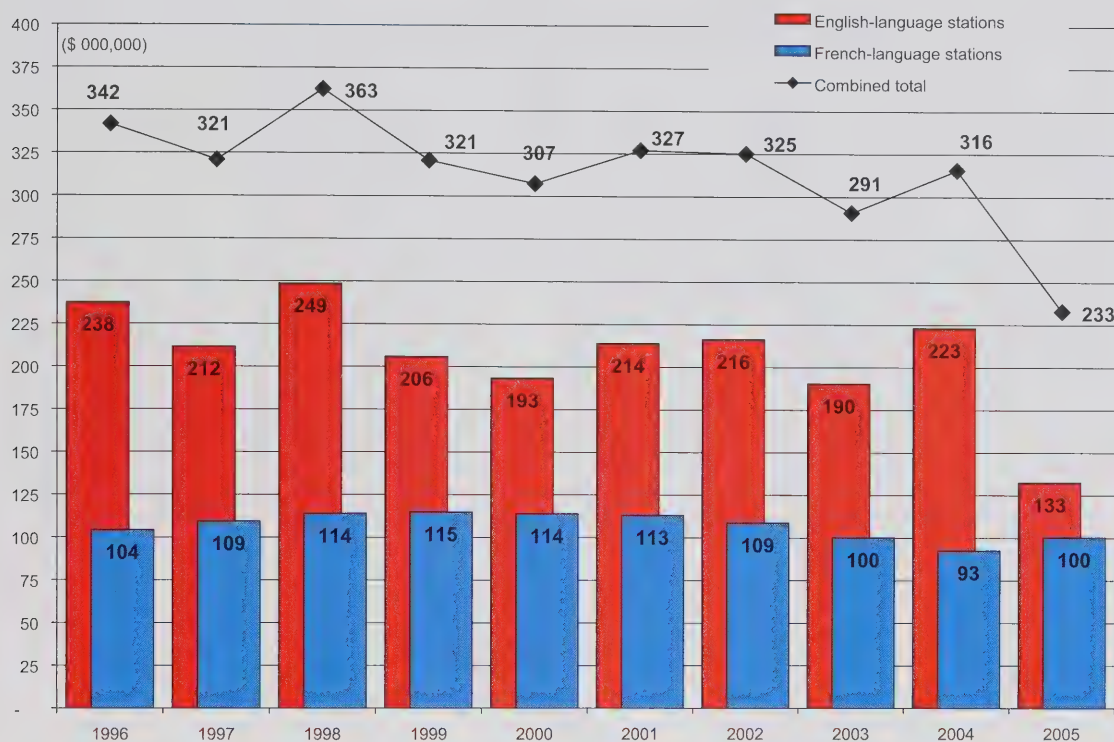
Source: CRTC financial database

- The 2005 pay and specialty results reflect \$11.8 million in profits from the analog services with a PBIT margin of 24%.
- Not included in this chart are the digital services that reported PBIT losses of \$455 thousand in 2005. The combined PBIT margin for third-language analog and digital pay, PPV and specialty services was 20% in 2005.

²³ Profit before interest & taxes (PBIT)

4. CBC conventional television stations

Chart 3.20: Advertising revenues: CBC conventional television stations (owned & operated)



Source: Annual financial return filed with the CRTC

- The advertising revenues of CBC's English-language conventional television stations decreased by \$90 million or 40% in 2005 compared to 2004.
- The advertising revenues of CBC's French-language conventional television stations represented 23% of the total advertising dollars achieved by the CBC and French-language private conventional television stations in 2005. In 1996, its share was 29%.

D. Eligible expenditures on Canadian programming (CPE)²⁴

1. English-language commercial conventional television

Table 3.6: Private commercial conventional television

Category (\$ 000)	2001	2002	2003	2004	2005	Annual growth %			
						02	03	04	05
News (cat. 1)	235,149	247,719	255,976	267,335	266,491	5%	3%	4%	0%
Other info. (cat. 2 to 5)	34,496	41,710	41,983	46,963	43,833	21%	1%	12%	-7%
Sports (cat. 6)	24,942	19,088	17,477	8,335	7,772	-23%	-8%	-52%	-7%
Drama & comedy (cat. 7)	62,594	58,589	64,706	53,598	54,548	-6%	10%	-17%	2%
Music/Variety (cat. 8 & 9)	4,163	4,583	2,251	8,628	20,847	10%	-51%	283%	142%
Game show (cat. 10)	1,590	106	75	67	79	-93%	-29%	-11%	17%
Human interest (cat. 11)	20,321	18,658	21,321	34,863	30,823	-8%	14%	64%	-12%
Other (cat. 12 to 15)	965	2,033	3,858	3,780	3,694	111%	90%	-2%	-2%
Total (cat. 1 to 15)	384,221	392,485	407,648	423,570	428,086	2%	4%	4%	1%

Note: 2001 to 2004 figures have been updated to reflect current aggregate results.

Source: CRTC financial database

Table 3.7: CBC television

Category (\$ 000)	2001	2002	2003	2004	2005	Annual growth %			
						02	03	04	05
News (cat. 1)	59,200	56,263	51,634	58,535	57,916	-5%	-8%	14%	-1%
Other info. (cat. 2 to 5)	37,143	42,727	44,972	42,900	42,773	15%	5%	-5%	0%
Sports (cat. 6)	141,046	144,207	91,440	149,891	*	2%	-37%	64%	*
Drama & comedy (cat. 7)	46,212	44,645	52,232	56,097	53,152	-3%	17%	7%	-5%
Music/Variety (cat. 8 & 9)	5,982	11,654	20,597	22,339	17,507	95%	77%	8%	-22%
Game show (cat. 10)	0	2,012	1,483	1,552	1,349		-26%	5%	-13%
Human interest (cat. 11)	9,962	11,685	8,027	9,045	11,532	17%	-31%	13%	27%
Other (cat. 12 to 15)	1,160					-100%			
Total (cat. 1 to 15)	300,705	313,190	270,285	340,359	*	4%	-14%	26%	*

Notes: Excludes indirect and facility cost allocations. 2001 to 2004 expenditures have been restated to reflect revised reporting of programming expenditures.

* "Sports" and "Total" programming expenditures for 2005 are confidential.

Source: CRTC financial database

²⁴ Excludes Canadian Television Fund (CTF) reported by stations and services.

2. French-language commercial conventional television

Table 3.8: Private commercial conventional television and SRC

Category (\$ 000)	2001	2002	2003	2004	2005	Annual growth %			
						02	03	04	05
News (cat. 1)	88,947	91,087	96,731	97,725	94,571	2%	6%	1%	-3%
Other info. (cat. 2 to 5)	40,980	44,613	52,101	46,478	48,905	9%	17%	-11%	5%
Sports (cat. 6)	24,884	23,642	11,626	18,221	7,918	-5%	-51%	57%	-57%
Drama & comedy (cat. 7)	59,502	64,591	84,874	77,646	83,475	9%	31%	-9%	8%
Music/Variety (cat. 8 & 9)	24,155	32,668	26,269	26,642	19,476	35%	-20%	1%	-27%
Game show (cat. 10)	5,350	6,686	4,183	5,967	4,830	25%	-37%	43%	-19%
Human interest (cat. 11)	52,584	42,179	51,675	69,329	85,111	-20%	23%	34%	23%
Other (cat. 12 to 15)	-	233	4	227	1,081	-98%	6107%	377%	
Total (cat. 1 to 15)	296,403	305,701	327,463	342,234	345,367	3%	7%	5%	1%

Source: CRTC financial database

3. Pay, PPV and specialty services

- Effective 2004-05 broadcast year, pay and specialty licensees started reporting CPE by programming category.

Table 3.9: Pay, PPV and specialty analog and digital services

2005				
Category (\$ 000)	English-language services*	French-language services	Ethnic and third-language services	Total
Pay and specialty				
Number of services reporting	87	19	20	126
News (cat. 1)	87,389	39,051	1,965	128,405
Other info. (cat. 2 to 5)	163,023	40,616	2,410	206,050
Sports (cat. 6)	98,474	17,866	513	116,854
Drama & comedy (cat. 7)	129,745	31,658	1,095	162,499
Music/Variety (cat. 8 & 9)	24,027	7,936	6,315	38,278
Game show (cat. 10)	2,307	140	14	2,460
Human interest (cat. 11)	33,609	8,451	2,976	45,036
Other (cat. 12 to 15)	21,336	3,251	374	24,961
Total pay and specialty	559,911	148,970	15,661	724,542
PPV services				
Number of services reporting	6	2	-	8
Total PPV services	2,290	1,260	-	3,550
Total pay, specialty and PPV	562,201	150,229	15,661	728,092

* Includes bilingual services.

Source: CRTC financial database

E. Tangible benefits resulting from the transfers of ownership or control of television broadcasting undertakings

- When considering applications to transfer ownership or control of a television undertaking, the Commission generally expects significant benefits to be offered to the community in question or to the Canadian broadcasting system as a whole. Since competing applications are not solicited, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction.
- The principal components of the Commission's policies with respect to benefits resulting from the transfer of ownership or control are set out in *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993. In The Television Policy, the Commission amended its tangible benefits policy with respect to transfers of ownership or control involving television broadcasting undertakings. This amendment requires applicants to make commitments to clear and unequivocal tangible benefits representing financial contributions of at least 10% of the value of the transaction.
- The following table shows the number of English-language and French-language transfers of ownership or control of television broadcasting undertakings from 11 June 1999 to 31 March 2006.

Table 3.10: Value of television transactions and corresponding transfer benefits for the period 11 June 1999 to 31 March 2006

(\$000,000)	English-language services			French-language services			Total benefits
	# of trans.	Value of the trans-action*	Benefits	# of trans.	Value of the trans-action*	Benefits	
11 Jun 99 to 31 Aug. 01	12	3,645	380.5	3	556	55.7	436.2
1 Sep. 01 to 31 Aug. 02	8	686	71.9	1	74	7.4	79.3
1 Sep. 02 to 31 Aug. 03	2	1	0.4	1	1	0.0	0.4
1 Sep. 03 to 31 Aug. 04	3	1	0.1	-	-	-	0.1
1 Sep. 04 to 31 Mar. 05	3	271	27.1	-	-	-	27.1
1 Apr. 05 to 31 Mar. 06	5	18	1.8	-	-	-	1.8
Total	33	4,623	481.8	5	631	63.0	544.9

* Value determined by the Commission for the purpose of calculating transfer benefits.

F. Canadian digital television services

- Digital television (DTV) is a technology based on the Advanced Television Systems Committee transmission standard (A/53). The standard has been adopted for use in Canada and is designed to replace the current analog NTSC broadcast system that has been in use in North America for over half a century. The Commission's policies

are intended to encourage the transition of the Canadian broadcasting system from analog to digital and high definition technology.

- While the Commission envisages a largely voluntary and market-driven transition to digital television, it recognizes the need to provide regulatory certainty and encouragement during the transition period. It has instituted regulatory frameworks for the licensing and distribution of digital over-the-air services in 2002 and 2003 respectively and in 2006 established the regulatory framework relating to the licensing and carriage of high definition pay and specialty services.

1. Over-the-air digital television services

- In A licensing policy to oversee the transition from analog to digital over-the-air television broadcasting, Broadcasting Public Notice CRTC 2002-31, 12 June 2002 (Public Notice 2002-31), the Commission set out a policy framework for the licensing of over-the-air digital television (DTV) services. The policy framework is based on a voluntary, market-driven transition model, without mandated deadlines as well as the principle that digital technology will be treated as a replacement for analog technology.
- Transitional DTV licensees are allowed to broadcast a maximum of 14 hours per week of high definition programming that is not duplicated on the analog version of the service. A minimum of 50% of this unduplicated high-definition programming must be Canadian and all of the unduplicated programming must be in high definition television (HDTV) format.
- Additionally, the Commission encourages transitional DTV licensees to ensure that two-thirds of their schedules are available in HDTV format by 31 December 2007.²⁵
- In The regulatory framework for the distribution of digital television signals, Broadcasting Public Notice CRTC 2003-61, 11 November 2003 (Public Notice 2003-61), the Commission sets out, among other things, the regulatory framework that governs the distribution of over-the-air digital broadcasting services. In general, a broadcast distribution undertaking's regulatory obligations and authorities to distribute digital signals will match those that currently apply to the distribution of the analog version of these services. The Commission will require distribution undertakings to carry the primary signal of Canadian over-the-air digital television signals identified in sections 17, 32 and 37 of the BDU Regulations, except as otherwise provided under a condition of licence.
- In Public Notice 2003-61, the Commission also determined that a cable BDU may apply to be relieved of the obligation to distribute analog signals, once 85% of its subscribers have the ability to receive digital services by means of digital television receivers or set-top boxes.

²⁵ Consistent with recommendation eight of the Task Force on the Implementation of Digital Television report submitted to the Minister of Canadian Heritage in October 1997.

- The following table lists the 22 originating stations and four rebroadcasters that currently hold transitional digital television licences.

Table 3.6: Over-the-air transitional digital television ⁽¹⁾

Market		Language	Source station		Actual or planned start date
Montréal		F	CFJP	TQS	-
		F	CBFT	SRC	March 2005
		F	CIVM	Télé-Québec (educational and cultural service)	September 2007
		F	CFTM	TVA	-
		E	CBMT	CBC	March 2005
Québec		F	CBVT	CBC	January 2006
Ottawa		F	CBOFT	SRC	September 2006
		E	CBOT	CBC	September 2006
	R	O/E	OMNI 1	Rogers (ethnic station)	July 2007
	R	O/E	OMNI 2	Rogers (ethnic station)	July 2007
Toronto		F	CBLFT	SRC	March 2005
		F	CBOFT	SRC (Ottawa station)	September 2006
		E	CBLT	CBC	March 2005
		E	CFTO	CTV	July 2005
		E	CIII	Global	November 2004
		E	CITS	Crossroads (religious programming)	-
		E	CITY	CHUM	January 2003
		E	CKXT*	Quebecor	February 2004
		O/E	OMNI 1	Rogers (ethnic station)	October 2006
		O/E	OMNI 2	Rogers (ethnic station)	October 2006
Hamilton		E	CHCH	Global	-
	R	E	CKXT*	Quebecor	February 2004
Vancouver		E	CBUT	CBC	January 2006
		E	CHAN	Global	-
		E	CIVT	CTV	July 2005
		O/E	CHNM	Multivan	-

(1) Number of stations approved but not necessarily in operation.

E: English; F: French; O/E: Multi/English; R: Rebroadcaster

Source: CRTC APP 1205 (3 May 2006)

2. Digital pay and specialty services

- In *Licensing framework policy for new digital pay and specialty services*, Public Notice CRTC 2000-6, 13 January 2000, and in *Revised procedures for processing applications for new digital Category 2 pay and specialty television services*, Broadcasting Public Notice CRTC 2004-24, 8 April 2004, the Commission set out a framework for licensing digital Canadian pay and specialty programming services. This framework established two categories of digital services that are designed to enhance diversity and choice for Canadian viewers:

- Category 1 services: These services have digital carriage privileges and genre protection to support them during the uncertain early digital rollout period. Only a limited number of specialty services were licensed as category 1 services.
- Category 2 services: These services are not assured digital carriage and do not have genre protection. Applicants that meet the basic licensing criteria and are not directly competitive with any analog pay or specialty, or category 1 services are licensed.

In order to expand the diversity and the range of Canadian television services available to underserved third-language ethnic communities, the Commission revised its approach when considering broadcasting licence applications proposing new third-language ethnic Category 2 pay and specialty services.²⁶

3. Migration of pay and specialty services from analog to digital distribution

- In *Digital migration framework*, Broadcasting Public Notice CRTC 2006-23, 27 February 2006, the Commission set out the framework that will guide the migration to a digital distribution environment for those pay and specialty services that were approved under the analog licensing framework.
- The Commission's goal was to develop a framework that would ensure an orderly transition from the current highly structured technological and regulatory environment to an environment characterized by a more market-driven approach. In designing this framework, the Commission also sought to achieve the following objectives:
 - encourage the transition to digital and eventually high definition distribution;
 - permit BDUs to take advantage of the flexibility of digital distribution, to the benefit of consumers;
 - help ensure that, during the transition, analog programmers can reasonably expect to operate within their business plans, in order to continue to meet their programming obligations and the objectives of the Act, including objectives related to linguistic duality;
 - design an approach that recognizes the unique challenges and characteristics of the French-language market and services;
 - introduce a more simplified regulatory regime, where appropriate; and
 - harmonize the obligations of different types of BDUs.
- The Commission foresees the transition as taking place over three stages. Cable BDUs are currently in the first stage of this transition, characterized by their distribution of analog as well as digital services. The second stage would be characterized by the absence of analog services. Instead, BDUs would offer a mix consisting predominantly of low definition digital services with some high definition

²⁶ Revised approach for the consideration of broadcasting licence applications proposing new third-language ethnic Category 2 pay and specialty services, Broadcasting Public Notice CRTC 2005-104, Ottawa, 23 November 2005.

services. In the third stage, high definition digital services will predominate. These latter two stages will occur at different times for different BDUs, and each stage will have its own regulatory obligations.

4. Licensing and distribution framework for Canadian pay and specialty services in high definition (HD) format

- In *Regulatory framework for the licensing and distribution of high definition pay and specialty services*, Public Notice CRTC 2006-74, 15 June 2006, the Commission announced its HD licensing and distribution policy framework for Canadian pay and specialty services. The policy proceeding was initiated by *Call for comments on a proposed framework for the licensing and distribution of high definition pay and specialty services*, Broadcasting Public Notice CRTC 2004-58, 6 August 2004 that set out a proposed policy framework in some detail. The framework was based where appropriate on the principles set out in Public Notices 2002-31 and 2003-61.
- The framework is based on a hybrid approach under which existing pay and specialty services who wish to launch a high definition service could choose between a light-handed approach with few privileges or a more traditional regulatory regime and submit their applications for HD authorities accordingly – a licence amendment for the first, a new licence for the second.
- HD authorities granted by licence amendment would be subject to certain restrictions. For example, carriage arrangements would have to be negotiated with distributors, the term of the authority would be limited to three years and the programming of the analogue and HD replacement services would have to be comparable, that is, not less than 95% of the video and audio components would have to be the same.
- New HD-transitional licences would be issued to services that offer the benchmark amounts of high definition programming. These licences would confer carriage rights and the current genre protections. A limited amount of separate HD programming would also be allowed.
- In general, the licensing and distribution policy is intended to encourage the transition of the Canadian broadcasting system to high definition technology. It does so by providing a mechanism for the licensing of transitional high definition pay and specialty services that will permit easy entry for the new technology.
- The policy also encourages broadcasting distribution undertakings (BDUs) to carry high definition services by permitting flexibility in the packaging of such services, and provides regulatory certainty by setting out the details of the distribution policy for the new high definition services, including the distribution and linkage rules, the carriage of non-Canadian high definition signals, and provisions governing technical quality and simultaneous substitution.

- As of 1 May 2006, the Commission has approved, by way of licence amendment, four analog specialty, two pay and ten category 2 specialty services for distribution in the HD format.
- In the spring 2006, it is estimated that there were at least 321,393 subscribers to discretionary HD services²⁷ in Canada.

a) Availability of HD services

- The following tables indicate the number of HD services available from Canadian programming distributions and the average hours per week of HD Canadian programming offered by Canadian programming services.

Table 3.12: Number of high definition services offered by BDUs

	Canadian services	Foreign services	Total
Cogeco	10	9	19
Rogers	16	10	26
Shaw	5	5	10
Vidéotron	8	5	13
Bell ExpressVu	16	11	27
Star Choice	6	8	14

Table 3.13: High definition offering of Canadian programming

	Weekly average of HD hours	Original
Conventional television		
CBC	8.25	100%
CHUM	11.5	17%
CTV	2.3	57%
Global	10	55%
SRC	6	100%
Pay and specialty services		
Discovery HD	75	0%
Movie Central	42	7%
Movie Pix	11	9%
Raptors	25	100%
TMN	53	4%
TSN	10	60%

Source: Information provided by the licensees.

²⁷ Source: Licensees with 20,000 subscribers or more. This figure excludes viewers of HD services carried on basic pursuant to Section 17 of the BDU regulations (cable) and to Section 37 of the BDU regulations (DTH) as well as those viewing HD programming received directly off-air. It also excludes all discretionary subscribers of cable systems with less than 20,000 subscribers as they do not report such information.

G. Specialty, pay, PPV and VOD services

Specialty services (Specialty Services Regulations, 1990)

- There are 49 Canadian analog specialty services: 28 English-language, 14 French-language, two bilingual (English & French) and five third-language.²⁸
- There are also 18 category 1 digital specialty services: 15 English-language²⁹ have been in service since the Fall 2001 and three French-language³⁰ services were launched in Fall 2004. These services were approved following a competitive hearing and were licensed on a one-per-genre basis in 2000.
- Category 2 digital specialty services are licensed on a more competitive, open-entry basis. The Commission continues to approve additional category 2 services. As of 3 May 2006, licences have been issued to over 200 category 2 specialty services, including 105 English-language, 13 French-language, 75 ethnic or third-language and eight bilingual. Approximately 75 of these services, 47 English-language, 25 third-language and three French-language, have been launched.

Pay services (Pay Television Regulations, 1990)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- In May 2006³¹, the Commission approved a new national English-language general interest pay service.
- The Commission has also licensed 24 digital category 2 pay services.

Pay-Per-View (PPV) services (Pay Television Regulations, 1990)

- There are five (terrestrial) pay-per-view services: three English-language, one bilingual (English and French) and one French-language.
- There are six direct-to-home (DTH) pay-per-view services: four English-language, one bilingual (English and French), and one French-language.

Video-on-demand (VOD) services (Pay Television Regulations, 1990)

- As of 3 May 2003, there were 13 licensed video-on-demand programming undertakings.

²⁸ Languages other than English and French or those of Aboriginal Canadians.

²⁹ There were 16 English-language category 1 digital specialty services authorized by the Commission in November 2000. One of these, WSTN (Women's Sport Television Network), is no longer in operation.

³⁰ There were five French-language category 1 digital specialty services authorized by the Commission in November 2000. The licensees of Télé Ha! Ha! and Perfecto, La Chaîne have decided not to launch these services.

³¹ Applications for new pay television services, Broadcasting Decision CRTC 2006-193, 18 May 2006.

1. Financial results for pay, PPV and specialty analog and digital services

- The following tables show the 2004 and 2005 financial results³² for individual specialty, Pay and PPV analog and digital services.

Table 3.14: Financial results for specialty analog and digital services – English-language services

		2005				2004		
		# of						
(thousands)		subscr.	Revenues	PBIT	PBIT Margin	Revenues	PBIT	PBIT Margin
Analog services								
1	Bravo!	6,141	43,658	13,530	31.0%	39,123	11,590	29.6
2	CLT (Canadian Learning Television)	4,339	13,293	5,202	39.1%	12,414	5,133	41.4
3	CMT - Country Music TV	8,094	21,518	7,639	35.5%	17,189	5,726	33.3
4	Discovery Channel, The	7,057	80,962	33,283	41.1%	67,115	24,827	37.0
5	Food Network Canada	4,525	25,118	7,796	31.0%	20,582	5,200	25.3
6	History Television	5,896	33,134	10,570	31.9%	29,009	9,996	34.5
7	HGTV (Home & Garden TV)	5,724	42,893	16,336	38.1%	36,460	14,722	40.4
8	Life Network, The	5,685	35,510	-2,310	-6.5%	35,919	7,457	20.8
9	MuchMoreMusic	6,480	18,486	6,564	35.5%	16,776	5,987	35.7
10	MuchMusic	8,224	54,835	16,048	29.3%	48,405	13,043	26.9
11	CTV Newsnet	7,583	17,665	2,629	14.9%	15,020	472	3.1
12	Newsworld (non-profit)	9,709	75,337	10,988	14.6%	72,006	3,820	5.3
13	Outdoor Life Network	5,222	13,857	4,271	30.8%	12,572	3,594	28.6
14	TVtropolis (Prime TV)	5,419	28,116	7,949	28.3%	27,214	8,271	30.4
15	Pulse24 (CP 24)	3,056	10,382	-1,274	-12.3%	11,095	-365	-3.3
16	ROBTv	4,830	18,920	3,908	20.7%	17,491	718	4.1
17	Rogers Sportsnet	7,654	109,105	31,571	28.9%	115,606	9,934	8.6
18	Score, The	5,666	25,063	3,779	15.1%	19,963	1,921	9.6
19	Showcase	6,318	53,943	19,839	36.8%	49,075	17,358	35.4
20	Space	5,814	44,238	8,705	19.7%	38,028	8,206	21.6
21	StarTV!	4,439	17,609	3,158	17.9%	15,578	3,147	20.2%
22	MTV Canada (TalkTV)	4,390	5,101	2,026	39.7%	4,970	2,472	49.8%
23	TCN (Comedy Network, The)	5,309	45,126	17,100	37.9%	38,114	11,115	29.2%
24	Teletoon/Télétoon *	6,498	71,712	36,237	50.5%	61,617	29,097	47.2%
25	Treehouse TV	6,399	10,238	4,202	41.0%	9,034	3,631	40.2%
26	TSN (Sports Network, The)	8,104	173,864	72,092	41.5%	182,345	35,407	19.4%
27	VisionTV (non-profit)	8,265	20,621	3,177	15.4%	18,305	2,440	13.3%
28	W Network (Women)	6,581	57,203	21,125	36.9%	49,967	17,453	34.9%
29	Weather / Météomédia *	9,809	42,298	12,431	29.4%	39,321	10,126	25.8%
30	YTV	8,464	83,032	31,045	37.4%	82,278	31,544	38.3%
Total analog services			1,292,836	409,614	31.7%	1,202,589	304,045	25.3%
Digital category 1 services								
1	Biography Channel, The	832	4,159	-777	-18.7%	3,629	-771	-21.2%
2	Book Television: The Channel	671	2,833	-138	-4.9%	2,558	-300	-11.7%
3	Canadian Documentary Channel, The	871	3,602	-792	-22.0%	3,017	-1,060	-35.1%
4	Country Canada (Land and Sea)	718	2,743	58	2.1%	2,173	-1,298	-59.7%
5	CTV Travel (Travel TV)	648	3,927	612	15.6%	2,964	-756	-25.5%
6	Discovery Health (Health Network Canada)	936	4,185	-4,104	-98.1%	3,292	-3,080	-93.6%
7	Fashion Television: The Channel	789	3,422	-148	-4.3%	2,992	-332	-11.1%
8	iChannel (Issues Channel, The)	713	2,406	-1,729	-71.9%	2,290	-1,859	-81.2%
9	Independent Film Channel, The	1,111	5,270	-4,426	-84.0%	3,996	-2,974	-74.4%
10	MenTV	793	3,773	-494	-13.1%	3,331	-868	-26.1%

³² Based on services reporting to the CRTC for the period September 1st to August 31st.

Table 3.14 (cont'd)

		2005				2004		
	(thousands)	# of subscr.	Revenues	PBIT	PBIT Margin	Revenues	PBIT	PBIT Margin
11	Razer (MTV Canada/Connect)	804	7,174	-12,149	-169.3%	5,582	-2,095	-37.5%
12	Mystery (13th Street)	991	4,651	420	9.0%	3,857	-376	-9.8%
13	One: Canada's Mind, Body and Spirit Channel (Wisdom: Canada's Mind, Body and Spirit Channel)	907	3,612	49	1.4%	3,021	-487	-16.1%
14	OutTV (PrideVision)					1,105	-118	-10.7%
15	G4TechTV (techtv/ZDTV Canada)	807	4,457	94	2.1%	3,720	103	2.8%
Total digital category 1			56,213	-23,523	-41.8%	47,657	-17,023	-35.7%
Digital category 2 services								
1	Animal Planet	1,204	3,862	248	6.4%	2,913	-651	-22.4%
2	AOV Movie	2	72	-105	-145.4%			
3	BBC Canada	931	5,198	-1,733	-33.3%	3,937	-2,256	-57.3%
4	BBC Kids	990	3,762	-2,270	-60.3%	1,672	-3,659	-218.9%
5	BPM:TV (The Dance Channel)	507	669	-287	-42.8%	566	-332	-58.7%
6	Court TV Canada (Law & Order Channel)	1,083	5,161	1,081	21.0%	4,554	434	9.5%
7	DejaView (Pop TV)	875	3,575	-188	-5.3%	2,786	-542	-19.5%
8	Discovery Civilization	809	2,594	-378	-14.6%	1,895	-1,110	-58.6%
9	Discovery Kids	887	2,656	-271	-10.2%	2,261	-458	-20.3%
10	Drive In Classics	789	2,261	217	9.6%	2,021	110	5.5%
11	ESPN Classics (Classic Sports)	572	1,888	-492	-26.0%	1,653	-1,196	-72.4%
12	Fox Sports World	667	2,733	-1,591	-58.2%	2,190	-2,538	-115.9%
13	green channel, the					45	-510	-1,146%
14	Hustler Channel (TEN-Channel 1)	36	2,008	286	14.3%	918	-280	-30.5%
15	Jazz	86	228	-2,157	-948.0%	153	-2,815	-1,843%
16	Leafs TV (Maple Leaf Channel)	107	927	-3,438	-371.0%	1,900	-4,060	-213.7%
17	Lonestar (Adventure)	869	3,750	760	20.3%	2,854	-50	-1.8%
18	Love1	1	50	-41	-81.4%			
19	Luxe (HDTV Canada)	54	825	-1,319	-160.0%			
20	Moviola	685	2,403	353	14.7%	1,897	190	10.0%
21	MSNBC Canada		317	-109	-34.4%	1,126	-586	-52.1%
22	PunchMuch (MTV 2, Music 5)	397	596	-518	-87.0%	533	-720	-135.0%
23	MuchLOUD	154	396	-290	-73.4%	165	-382	-231.0%
24	MuchMore Classic Video	156	217	-41	-19.1%	23	-135	-599.1%
25	MuchVibe	511	900	12	1.4%	651	-105	-16.1%
26	National Geographic Channel	908	4,284	-2,463	-57.5%	3,525	-2,871	-81.4%
27	NHL Network, The	581	4,183	186	4.4%	3,833	-1,199	-31.3%
28	PetNet	40	37	-280	-756.8%			
29	Racing Network Canada, The	289	1,104	-1,163	-105.4%	1,032	-1,594	-154.4%
30	Raptors NBA TV (Raptors Basketball Channel)	415	2,785	-1,963	-70.5%	2,998	-1,804	-60.2%
31	Scream (HorrorVision)	1,070	3,620	-350	-9.7%	3,115	-786	-25.2%
32	SexTV: The Channel (Relationship TV)	617	2,103	-640	-30.5%	1,962	-581	-29.6%
33	ShortFilm	1	63	-108	-172.0%			
34	Short TV	66	115	-223	-193.7%			
35	Showcase Action (Action Channel)	1,262	7,726	-850	-11.0%	5,465	-81	-1.5%
36	Showcase Diva (Romance Channel)	1,159	6,759	-2,137	-31.6%	4,725	-759	-16.1%
37	SilverScreen	36	359	87	24.4%	52	-54	-103.9%
38	TV Land (Retro)	929	3,259	-571	-17.5%	3,003	-816	-27.2%
39	X Channel (TEN-Channel 2)	1	649	35	5.4%	253	-236	-93.0%
40	Xtreme Sports	592	2,258	-820	-36.3%	1,955	-478	-24.5%
Total digital category 2			86,351	-23,530	-27.2%	68,631	-32,913	-48.0%
Total English-language specialty services			1,435,400	362,562	25.3%	1,318,877	254,109	19.3%

* Bilingual services

Table 3.15: Financial results for specialty analog and digital services – French-language services

		2005				2004		
		# of subscr.	Revenues	PBIT	PBIT Margin	Revenues	PBIT	PBIT Margin
(thousands)								
Analog services								
1	ARTV	1,690	12,751	363	2.9%	11,812	-26	-0.2%
2	Canal D	2,217	27,464	12,913	47.0%	26,231	11,962	45.6%
3	Canal Évasion	1,395	6,474	1,316	20.3%	5,544	1,081	19.5%
4	Canal Vie	1,850	34,761	15,129	43.5%	30,494	12,415	40.7%
5	Historia	1,402	10,543	2,165	20.5%	9,054	694	7.7%
6	LCN - Le Canal Nouvelles	1,793	18,201	5,566	30.6%	18,495	7,374	39.9%
7	Musimax	1,748	9,417	1,063	11.3%	8,418	983	11.7%
8	MusiquePlus	2,192	18,251	3,200	17.5%	16,486	2,404	14.6%
9	RDS (Réseau des Sports)	2,338	68,258	21,894	32.1%	81,194	11,690	14.4%
10	Réseau de l'information (RDI) (non-profit)	9,379	44,791	-2,449	-5.5%	43,577	1,850	4.2%
11	Séries+	1,399	20,531	10,089	49.1%	17,341	6,508	37.5%
12	TV5 (non-profit)	6,302	12,766	133	1.0%	12,672	135	1.1%
13	VRAK-TV (Canal Famille)	2,309	16,876	5,860	34.7%	17,378	6,697	38.5%
14	Ztélé (canal Z)	1,405	13,495	2,152	15.9%	11,233	73	0.6%
Total analog services			314,580	79,394	25.2%	309,928	63,840	20.6%
Digital category 1 services								
1	13 rue	479	321	-2,586	-804.6%			
2	RIS Info Sports		630	-972	-154.4%			
3	LCNAffairs		284	-1,664	-586.7%			
Total digital category 1			1,235	-5,223	-423.0%			
Digital category 2 services								
1	Avis de Recherche	500	61	-234	-381.6%			
Total French-language specialty services			315,876	73,937	23.4%	309,928	63,840	20.6%

Table 3.16: Financial results for specialty analog and digital services – Ethnic and third-language services

		2005				2004		
	(thousands)	# of subscr.	Revenues	PBIT	PBIT Margin	Revenues	PBIT	PBIT Margin
Analog ethnic services								
1	Asian Television Network (ATN/SATV)	49	3,347	854	25.5%	4,796	1,095	22.8%
2	Fairchild TV	359	25,739	5,595	21.7%	24,577	6,133	25.0%
3	Odyssey	13	1,338	132	9.8%	1,065	305	28.6%
4	Talentvision	227	4,472	-464	-10.4%	4,013	-289	-7.2%
5	Teletatino	3,532	15,192	5,673	37.3%	13,795	5,263	38.2%
Total analog services			50,088	11,789	23.5%	48,246	12,506	25.9%

Table 3.16 (cont'd)

Table 3.16 (cont'd)		2005				2004		
		(thousands)	# of subscr.	Revenues	PBIT	PBIT Margin	Revenues	PBIT
Digital category 2 – 3rd-language services								
1	All TV (Doragi Television Network)	7	1,187	125	10.5%	1,003	126	12.6%
2	Festival Portuguese Television	6	1,124	-313	-27.8%	698	-214	-30.7%
3	SSTV	9	601	30	5.0%	513	26	5.0%
4	ABU DhabiTV (Arabic TV)	2	52	-137	-266.0%			
5	Mabuhay Channel, The (ECG Filipino)	2	48	-145	-301.7%			
6	InterTV	1	42	-172	-410.1%			
7	Odyssey II	7	525	-23	-4.4%	307	45	14.6%
8	RTVi (Russian TV1)	5	297	-1	-0.4%			
9	RTVi+ (RussianTV2)	2	61	-115	-187.5%			
10	SBTN	2	44	-144	-324.3%			
11	Sky TG 24			-138				
12	VideolItalia			-82				
13	ATN Alpha Punjabi	9	625	160	25.5%			
14	ATN Tamil Channel	2	168	43	25.5%			
15	ARY Digital (Urdu Channel)	6	399	102	25.5%			
Total digital category 2			5,174	-811	-15.7%	2,521	-18	-0.7%
Total ethnic and third-language specialty services			55,262	10,978	19.9%	50,767	12,489	24.6%

Table 3.17: Financial results for pay and PPV analog and digital services

		2005				2004		
		(thousands)	# of subscr.	Revenues	PBIT Margin	Revenues	PBIT	PBIT Margin
Pay services								
1	Movie Network,The (TMN)	1,026	100,874	22,413	22.2%	99,731	18,432	18.5%
2	Encore Avenue (MovieMax!)	340	8,713	1,827	21.0%	8,673	4,345	50.1%
3	Family Channel, The	5,022	46,360	16,220	35.0%	43,053	14,678	34.1%
4	MovieCentral (Superchannel)	748	74,662	26,178	35.1%	69,087	17,696	25.6%
5	Moviepix!	1,244	18,801	8,939	47.5%	18,217	8,835	48.5%
6	SuperÉcran *	479	47,423	12,558	26.5%	48,017	13,847	28.8%
7	ATN Caribbean **	2	267	68	25.5%			
8	ATN B4U (Hindi) **	17	1,126	287	25.5%			
Total pay services			298,225	88,489	29.7%	286,777	77,832	27.1%
PPV services - Terrestrial(T) and DTH (DTH)								
1	Bell ExpressVu (DTH)		30,268	5,177	17.1%	31,872	2,033	6.4%
2	Breakaway (DTH)		6	0	0.0%	3,718	0	0.0%
4	Canal Indigo* (T and DTH)	726	4,345	-1,016	-23.38%	5,453	-572	-10.49%
5	PPV Sports (T)		2,754	-787	-28.6%			
7	Shaw (T & DTH)	912	18,018	3,402	18.88%	17,533	2,074	11.83%
9	Viewer's Choice Canada (T & DTH)	2,072	24,904	6,390	25.66%	26,634	6,368	23.91%
Total PPV services			80,293	13,166	16.4%	85,211	9,903	11.6%
Total pay and PPV services			378,519	101,655	26.9%	371,988	87,735	23.6%

* French-language service

** Third-language services

Table 3.18: Financial results for specialty, pay and PPV analog and digital services – summary totals

	2005			2004		
	Revenues (\$000)	PBIT (\$000)	Margin	Revenues (\$000)	PBIT (\$000)	Margin
Specialty – analog	1,657,504	500,797	30.2%	1,560,763	380,391	24.4%
Specialty – digital category 1	57,448	-28,746	-50.0%	47,657	-17,023	-35.7%
Specialty – digital category 2	91,586	-24,574	-26.8%	71,152	-32,930	-46.3%
Total specialty	1,806,538	447,477	24.8%	1,679,572	330,438	19.7%
Pay and PPV	378,519	101,655	26.9%	371,988	87,735	23.6%
Total specialty, pay and PPV services	2,185,057	549,132	25.1%	2,051,560	418,173	20.4%

2. Companies with significant ownership interests in specialty, pay, PPV and VOD, analog and digital services

- The following table lists companies with significant ownership interests in specialty, pay, PPV and VOD services. This table also includes large broadcasting and distribution undertakings with interest in specialty, pay, PPV and VOD services.

Table 3.19: Companies with significant ownership interest in specialty, pay, PPV and VOD services as of 1 June 2006

Alliance Atlantis	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• Life Network, The	e	100%
• Showcase	e	100%
• History Television, The	e	100%
• HGTV Canada (Home & Garden Television)	e	80.2%
• Food Network Canada	e	57.6%
• Séries+	f	50%
• Historia	f	50%
• The Score (Headline Sports)	e	22.3%
Category 1 digital specialty services:		
• Independent Film Channel, The	e	100%
• Discovery Health Network	e	80%
• One: Body, Mind & Spirit	e	29.9%
Category 2 digital specialty services:		
• Showcase Diva	e	100%
• Showcase Action	e	100%
• Fine Living	e	80.2%
• BBC Canada	e	80%
• BBC Kids	e	80%
• National Geographic Channel	e	64%
• Scream	e	49%

Astral Media	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• VRAK-TV (Canal Famille)	f	100%
• Canal D	f	100%
• Canal Vie	f	100%
• Ztélé (Canal Z)	f	100%
• Historia	f	50%
• Séries+	f	50%
• MusiquePlus	f	50%
• Musimax	f	50%
• Teletoon / Télétoon	b	40%
Pay services:		
• Moviepix! (The Classic Channel)	e	100%
• TMN (Movie Network, The)	e	100%
• Super Écran	f	100%
• Family Channel, The	e	100%
• CINÉPOP (Digital cat. 2)	f	100%
PPV services: (terrestrial & DTH):		
• Viewers Choice Canada	e	50.1%
• Canal Indigo	f	20.04%

BCE ⁽¹⁾	Language	Direct/Indirect Voting Interest
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BCE Inc. holds 68.5% voting interest in Bell Globemedia Inc.

PPV (Terrestrial & DTH) and VOD services:

• Bell ExpressVu (PPV)	b	100%
• Vu! On Demand (VOD)	b	100%

Bell Globemedia ⁽¹⁾	Language	Direct/Indirect Voting Interest
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BCE Inc. holds 68.5% voting interest in Bell Globemedia Inc.

Analog specialty services:

• CTV Newsnet	e	100%
• MTV Canada (TalkTV)	e	100%
• ROBTV	e	100%
• Comedy Network, The	e	100%
• TSN (Sports Network, The)	e	80%
• RDS - Réseau des Sports	f	80%
• Discovery Channel, The	e	64%
• Outdoor Life Network (OLN)	e	33.34%
• ARTV	f	16%

Category 1 digital specialty services:

• CTV Travel	e	100%
• RIS Info Sports (Réseau Info Sports)	f	80%

Category 2 digital specialty services:

• ESPN Classic Canada	e	80%
• Discovery Civilization Channel	e	64%
• Animal Planet	e	64%
• Discovery HD Theatre	e	64%
• NHL Network, The	e	17.14%
• Raptors NBA-TV	e	15.44%
• Leaf TV	e	15.44%

PPV services (Terrestrial & DTH):

• Viewer's Choice Canada	e	19.96%
• Canal Indigo *	f	15.98%

* Comprised of 8% held through TQS inc. and 7.98% held through Viewer's Choice Canada.

CanWest	Language	Direct/Indirect Voting Interest
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Analog specialty services:

• TVtropolis (Prime TV)	e	66.7%
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Category 1 digital specialty services:

• MenTV	e	49%
• Mystery	e	50%

Category 2 digital specialty services:

• Cool TV	e	100%
• DejaView	e	100%
• Fox Sports World Canada	e	100%
• Lonestar	e	100%
• Xtreme Sports	e	100%

CBC / SRC	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• Newsworld	e	100%
• RDI – Réseau de l'information	f	100%
• ARTV	f	37%
Category 1 digital specialty services:		
• Country Canada	e	100%
• Canadian Documentary Channel, The	e	29%
Pay service:		
• Galaxie (Pay audio)	b	100%

CHUM	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• Bravo!	e	100%
• MuchMusic	e	100%
• MuchMoreMusic	e	100%
• SPACE	e	100%
• Star-TV	e	100%
• Pulse 24 (CP24)	e	100%
• Canadian Learning Television (CLT)	e	100%
• MusiquePlus	f	50%
• Musimax	f	50%
Category 1 digital specialty services:		
• FashionTelevision: The Channel	e	100%
• Razer (MTV Channel)	e	100%
• Book Television: The Channel	e	100%
Category 2 digital specialty services:		
• Drive-in Classics	e	100%
• MuchLOUD	e	100%
• MuchMoreRetro	e	100%
• MuchVibe	e	100%
• SexTV: The Channel	e	100%
• PunchMuch (MTV2)	e	100%
• Court TV Canada	e	100%
• TV Land	e	80.1%

Cogeco	Language	Direct/Indirect Voting Interest
PPV (Terrestrial & DTH) & VOD services:		
• Canal Indigo * – PPV service	f	32%
• Cogeco Câble – regional VOD service	b	100%

* Comprised of 20% held by Cogeco and 12% held through TQS Inc.

Corus ⁽²⁾	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• YTV	e	100%
• TreeHouse	e	100%
• W (Women's Television Network)	e	100%
• CMT (Country Music Television)	e	90%
• Telelatino (Italian & Hispanic/Spanish)	o	50.5%
• Teletoon / Télétoon *	b	40%
• Food Network Canada	e	22.59%
Category 1 digital specialty services:		
• Canadian Documentary Channel, The	e	53%
Category 2 digital specialty services:		
• Discovery Kids	e	80%
• Scream	e	51%
• Leonardo World Canada (Sitcom Canada) (Italian)	o	50.5%
• Sky TG24 (Network Italia) (Italian)	o	50.5%
• Video Italia Canada (Italian)	o	40.4%
Pay & VOD services:		
• MovieCentral (SuperChannel) – pay service	e	100%
• Encore Avenue (MovieMax!) – pay service	e	100%
• MaxTrax (Pay audio service)	b	100%

* 20% of the 40% voting interest is held by Nelvana Limited, a company that produces and distributes children and family productions. Corus Entertainment Inc. holds 100% voting interest in Nelvana Limited.

Quebecor Media	Language	Direct/Indirect Voting Interest
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Quebecor inc. holds 54.72% voting interest in Quebecor Media Inc.

Archambault Group Inc.

Quebecor Media Inc. hold 94.5% voting interest in Archambault Group Inc..

VOD service:

- | | | |
|-------------------------------------|---|------|
| • Illico sur demande – regional VOD | b | 100% |
|-------------------------------------|---|------|

TVA Group Inc.

Quebecor Media Inc. hold 99.92% voting interest in TVA Group Inc..

Analog specialty services:

- | | | |
|----------------------------|---|-------|
| • LCN – Le Canal Nouvelles | f | 100% |
| • Canal Évasion | f | 8.31% |

Category 1 digital specialty services:

- | | | |
|-------------------------|---|------|
| • ARGENT (LCN Affaires) | f | 100% |
| • Mystère (13ième rue) | f | 100% |
| • MenTV | e | 51% |
| • Mystery | e | 50% |

Category 2 digital specialty service:

- | | | |
|-----------------------|---|------|
| • Prise 2 (Nostalgie) | f | 100% |
|-----------------------|---|------|

PPV (terrestrial & DTH) services:

- | | | |
|----------------|---|-----|
| • Canal Indigo | f | 20% |
|----------------|---|-----|

Rogers Communications	Language	Direct/Indirect Voting Interest
Analog specialty services:		
• Rogers Sportsnet	e	100%
• Outdoor Life Network (OLN)	e	33.3%
• TVTropolis (Prime TV)	e	33.3%
Category 1 digital specialty services:		
• Biography Channel, The	e	100%
• G4TechTV (TechTV)	e	66.66%
PPV (terrestrial & DTH) and VOD services:		
• Sports/Specials Pay-per-View – PPV	e	100%
• Viewers Choice Canada – PPV	e	24.95%
• Canal Indigo – PPV service	f	9.98%
• Rogers Cable – regional VOD service	b	100%

Shaw ⁽²⁾	Language	Direct/Indirect Voting Interest
PPV & VOD services (terrestrial & DTH):		
• Shaw Pay-Per-View – PPV service	e	100%
• Videon CableSystems Inc. - regional VOD service	b	100%

Notes to table 3.16:

- Legend: Language: e = English; f = French; o = Other; b=English/French, PPV = Pay-per-view; DTH = Direct to home; VOD = Video-on-demand
- Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
- Includes only category 2 services that have been launched as of 1 June 2006.

(1) Currently before the Commission is an application seeking the authority to change effective control of BGM.³³

(2) Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as J.R. Shaw has voting control of both companies.

Sources: CRTC Acquisition & Ownership Policy Section, Industry Analysis Division and CRTC Decisions

H. Ethnic programming services

- Section 3(1)(d)(iii) of the Act provides, in part, that the Canadian broadcasting system should reflect the circumstances and aspirations of all Canadians, including the multicultural and multiracial nature of Canadian society.
- The principal components of the Commission's policy on ethnic broadcasting are set out in the *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (the Ethnic Policy). Among other things, the policy provides a framework for the licensing of an array of radio and television services in languages relevant to Canadian ethnocultural communities.
- Pursuant to the Ethnic Policy, ethnic television stations are required to devote at least 60% of their schedules to ethnic programming, and at least 50% of their schedules must consist of third-language programming.

³³ Broadcasting Public Notice CRTC 2006-24, 1 March 2006

- Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles. Such programming may be in any language or combination of languages.
- Third-language programming is programming in languages other than English and French or those of Aboriginal Canadians.

1. Over-the-air Ethnic television stations

- The Commission is of the view that a primary responsibility of over-the-air ethnic television stations should be to serve and reflect their local community. Licensees are expected to report on past and future local programming initiatives at the time of licence renewal.
- Ethnic television stations are also required to serve a range of ethnic groups in a variety of third-languages. This approach allows for the provision of service to groups that would not otherwise be able to afford their own single-language service. However, where many distinct ethnic groups are served in the overall market, individual stations may be permitted to provide more hours of service to fewer groups.
- As a way of reflecting the circumstances and aspirations of the multicultural and multiracial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations serving the following markets.

a) Montréal

CJNT-TV was approved in August 1995. This station is currently owned and operated by Global Communications Limited.

CJNT-TV is required to broadcast ethnic programs directed towards not less than 18 distinct ethnic groups monthly. It also broadcasts in at least 15 different languages monthly.

b) Toronto

There are currently two ethnic television stations licensed to serve the Toronto market. Both of these stations are owned and operated by Rogers Broadcasting Limited.

- OMNI 1 (formerly CFMT-TV) operates in the metropolitan Toronto/Hamilton area with transmitters in Ottawa and London making it available to approximately 70% of all Ontario residents.³⁴ This station was approved in December 1978.

OMNI 1 provides ethnic programs dedicated to serve people of European, Latin American and Caribbean communities. It is required to broadcast programs

³⁴ Licence renewal for ethnic television station CFMT-TV, Decision CRTC 2000-772, 21 December 2000

targeted to not less than 18 distinct ethnic groups in a minimum of 15 different languages on a monthly basis.

- OMNI 2 was approved in April 2002. This station provides programming of interest to the Asian and African communities in the Toronto/Hamilton area, with transmitters³⁵ in Ottawa and London.

OMNI 2 was launched in September 2002 and is required to broadcast programs targeted to a minimum of 22 ethnic groups in at least 18 different languages per month.

c) **Vancouver**

Channel M was approved in February 2002. This station is operated by Multivan Broadcast Limited Partnership and was launched on 27 June 2003. In *CHNM-TV Vancouver – New transmitter in Victoria*, Broadcasting Decision CRTC 2003-594, 3 December 2003, the Commission also approved a transmitter in the Victoria market.

Channel M is required to broadcast ethnic programming directed to at least 22 ethnic groups in a minimum of 22 distinct languages per month.

2. Ethnic pay & specialty services

In addition to ethnic conventional broadcasting services, the Commission has also licensed a number of Canadian ethnic specialty services.

a) **Analog ethnic specialty services**

There are five national Canadian analog ethnic specialty services offering programming in a variety of languages. These services are currently distributed either on a stand-alone basis or as part of a package with other discretionary services and are available to subscribers for a fee in addition to the basic monthly fee.

- Fairchild Television offers programming predominantly in Cantonese. The service was approved by the Commission in May 1984.
- Telcelatino provides programs directed to Italian and Hispanic/Spanish audiences. The Commission approved this service in May 1984.
- Talentvision provides programming predominantly in Mandarin, complemented by some programming in Vietnamese and Korean. The service was approved by the Commission in December 1993.³⁶
- Asian Television Network (SATV) serves South Asian communities in 15 South Asian languages, predominantly Hindi, supplemented by programming in English. The service was approved by the Commission in September 1996.

³⁵ CJMT-TV (OMNI 2) Toronto – New transmitters in Ottawa and London, Broadcasting Decision CRTC 2003-602, 17 December 2003

³⁶ Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

- Odyssey provides programming intended for the Greek community. With the exception of a small amount of news programming, 100% of its programming is in Greek. The service was approved by the Commission in September 1996.

b) Category 2 digital ethnic pay & specialty services

As of 2 April 2006, the Commission has approved over 126 Canadian ethnic category 2 digital pay and specialty services. Of these, 25 specialty and 5 pay services have been launched.

Specialty services

- ABU Dhabi TV (Arabic TV) is a national service targeting the Arabic speaking community. 90% of all programming broadcast is in Arabic.
- All TV (Doragi Television Network) is a national service directed to the Korean / Korean-speaking community. 90% of the programming is in Korean.
- ATN Alpha Punjabi is a national service directed to the Punjabi-speaking community. 100% of this service's programming is in Punjabi.
- ATN Tamil Channel is a national service directed to the Tamil-speaking community. 100% of the programming broadcast is in Tamil.
- ARY Digital (Urdu Channel) is a national service directed to the Urdu-speaking community. 100% of the programming broadcast is in Urdu.
- Festival Portuguese Television is a national service directed to the Portuguese speaking community. 90% of its programming is in Portuguese.
- ATN ZEE Gujarati is national service directed to the Gujarati-speaking community. It is required to broadcast all of its programming in Gujarati.
- Inter TV (Ukrainian TV1) is a national service directed to the Ukrainian-speaking community. 90% of its programming is in Ukrainian.
- Israeli TV 1 is a national service directed to the Hebrew-speaking community. It is required to broadcast 90% of its programming in Hebrew. It cannot broadcast more than 10% of programming in the English language.
- SKY TG24 is a national service directed to the Italian community. It is required to broadcast not less than 85% of its programming in Italian.
- ITBC Television Canada is a national service targeting the Tamil-speaking community. 90% of the programming is in Tamil.
- The Mabuhay Channel, The (formerly ECG Filipino) is a national ethnic service directed to the Filipino-speaking community. 90% of the programming broadcast is in Filipino.

- Odyssey 2 is a national service directed to Greek-speaking audiences. 100% of the programming is in Greek.
- Persian/Iranian TV is national service directed primarily to the Farsi-, Azeri-, Kurdish-, Armenian- and Assyrian-speaking communities. It is required to broadcast not less than 80% of the programming in Farsi and not less than 10% in the Azeri, Kurdish, Armenian and Assyrian languages. It cannot broadcast more than 10% of all programming in the English language.
- Persian Vision is a national service directed to the Persian community. 85% of the programming is in Farsi.
- HTB Canada is a national service directed to the Russian-speaking community. It is required to broadcast 90% of its programming in the Russian language. It cannot broadcast more than 10% of the programming in English language.
- RTVi (Russian TV1) is a national service directed to the Russian-speaking community. 90% of the programming is in Russian.
- RTVi+ (Russian TV Two) is a national service providing a programming service with a focus on Russian culture and issues, targeting the Russian-speaking community. Not less than 90% of all programming broadcast during the broadcast week is in the Russian language.
- SBTN (Vietnamese TV) is a national service directed to the Vietnamese-speaking community. 90% of the programming is in Vietnamese.
- S.S.TV is a national service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information concerns in East Indian countries and Punjabi communities in Canada. Not less than 50% of all programming is in the Punjabi-language and no more than 38%, 7% and 5% in the Hindi-, Urdu- and English-languages respectively.
- Leonardo World is a national service directed to Italian-speaking audiences. It is required to broadcast not less than 85% of its programming in Italian.
- Salt & Light Television (Inner Peace Television Network) is a national service devoted to providing religious programming from the single point-of-view of the Roman Catholic faith. The service targets Italian-, Spanish-, Portuguese-, Polish-, Filipino-, English- and French-speaking audiences.
- Tamil Vision (Tamil Channel) is a national service directed to the Tamil-speaking community. 90% of the programming is in Tamil.
- Telegu is a national service directed to the Telegu-speaking community. 100% of the programming is in Telegu.
- Videotalia is a national service directed to the Italian-speaking community. It is required to broadcast at least 85% of its programming in Italian.

Pay services

- ATN Caribbean and African Network is a national ethnic pay television service targeting Caribbean and African communities.
- ATN B4U Hindi (Hindi Movie Channel) is a national pay service devoted predominantly to Hindi movies. 90% of all programming is in Hindi.
- ATN – Bangla Channel One is a national pay service directed to the Bengali-speaking community. It is required to broadcast 100% of its programming in the Bengali language.
- ATN – South Asian Devotional Music & Discourse Channel is a national pay service devoted to religious programming presented in South Asian languages. It is required to broadcast 100% of its programming in a variety of South Asian languages. It cannot broadcast programming in the English language.
- Hindi Movie Channel Two is a national pay service directed to the Hindi-speaking community. It is required to broadcast 100% of its programming in the Hindi language.

3. Non-Canadian third-language programming services eligible for distribution in Canada

- The Commission also authorizes non-Canadian third-language programming services that may be distributed by broadcasting distribution undertakings in Canada. There are currently 45 third-language programming services authorized for distribution³⁷.

I. Native television services

- Section 3(1)(o) of the Act provides that programming that reflects the Aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available. The Commission's native broadcasting policy is set out in *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990.
- The primary role of Aboriginal broadcasters is to address the specific cultural and linguistic needs of their audiences while creating an environment in which Aboriginal artists and musicians, writers and producers, can develop and flourish. Native undertakings have a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.

³⁷ See table 3.20 Non-Canadian satellite services authorized in Canada.

- There are currently nine originating and 95 rebroadcasting native television stations in operation. The Commission has also licensed two native television networks:
 - Native Communications Inc. (NCI)
 - Wawatay Native Communications
- In addition, the Commission has licensed the national Aboriginal television programming service, Aboriginal Peoples Television Network (APTN) and has given it mandatory carriage under an order issued pursuant to section 9(1)(h) of the Act.

J. Religious television stations

- The Commission's religious policy is set out in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993. Pursuant to this policy, a religious program is defined as one which deals with a religious theme, including programs that examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.

1. Over-the-air religious television stations

- There are five over-the-air religious television stations:
 - The Miracle Channel (CJLT-TV) Lethbridge, Alberta
 - Crossroads Television System (CITS-TV) Burlington, Ontario. The station serves the Hamilton, Burlington, St. Catharines and Toronto markets. It also has rebroadcasting transmitters in the Ottawa and London markets.
 - CFEG-TV, Abbotsford, British Columbia
 - CHNU-TV, Fraser Valley, British Columbia. The station is authorised to broadcast the programming of CHNU-TV to Victoria and its surrounding areas.
 - CIIT-TV, Winnipeg, Manitoba.³⁸

K. The national public broadcaster

- The Canadian Broadcasting Corporation / Société Radio-Canada (CBC/SRC) is Canada's national public broadcaster. Pursuant to section 3(1)(l) of the Act, the CBC/SRC should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

³⁸ In *Deadline to commence operations*, Broadcasting Decision CRTC 2004-279, 19 July 2004, the Commission extended the time limit to commence operations to 30 November 2005.

1. Over-the-air conventional television stations

- The CBC/SRC operates two national television network services – one in English and the other in French. CBC/SRC also provides a distinctive television service in northern Canada, broadcasting in English, French and eight Aboriginal languages. Privately-owned stations affiliated with the CBC/SRC allow it to reach more Canadians.

2. Specialty services

- The CBC/SRC owns and operates the following specialty services:
 - CBC Newsworld, a national English-language news and information specialty service;
 - Le Réseau de l'information (RDI), a national French-language news and information specialty service; and
 - Country Canada, a national English-language category 1 digital specialty service that provides information and entertainment from a rural perspective.
- The CBC/SRC also has partial ownership interests in the following specialty services:
 - ARTV, a national French-language specialty service dedicated to the arts (37%); and
 - The Canadian Documentary Channel, a national English-language category 1 digital specialty service that broadcasts documentary programming on a 24-hour basis (29%).

L. Community-based television

- The role of community-based television is primarily to provide a public service, facilitating self-expression through free and open access to members of the community. As such, at least 60% of the programming aired during each broadcast week is comprised of local community television programming.
- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61), the Commission set out an integrated policy framework for community-based media. The objective of this policy is to ensure the creation and exhibition of more locally-produced, locally-reflective community programming and to foster a greater diversity of voices and alternative choices by facilitating new entrants at the local level.
- Public Notice 2002-61 replaced the 1991 Community channel policy³⁹ establishing a new licensing framework for community programming services. Public Notice 2002-61 also established a new class of broadcasting licence for the provision of

³⁹ 1991 Community Channel Policy, Public Notice CRTC 1991-59, 5 June 1991.

community programming known as “community-based television programming undertakings.”⁴⁰ There are currently 12 such services licensed in Canada: ten English-language, one bilingual (English & French) and one French-language.

- In situations where the cable company does not provide a community channel, or does not operate a community channel in accordance with the provisions of the Commission’s policy, community groups may apply for a community programming service licence. The licensees of these services must be non-profit organizations with membership, management and programming that is mainly from the community.

M. Non-Canadian satellite services authorized in Canada

- In *A new approach to revisions to the Commission’s lists of eligible satellite services*, Broadcasting Public Notice CRTC 2006-55, 28 April 2006, the Commission announced public notices setting out the Commission’s determinations on requests to amend the lists would provide a link to an up-to-date version of the lists on the Commission’s web site⁴¹. The Commission will periodically issue public notices setting out revised lists that include references to all amendments that have been made since the previous public notice setting out the lists was issued.
- The Commission’s policy precludes the addition of English- or French-language non-Canadian services to the Lists if the Commission determines them to be either partially or totally competitive with Canadian specialty or pay television services. This policy serves to ensure that Canadian licensed services are in a position to fulfil their commitments and obligations with respect to Canadian programming, a responsibility that non-Canadian services do not have.
- In *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004, the Commission adopted a more open-entry approach to non-Canadian third-language general interest television services in order to expand the diversity and choice in television services available to underserved third-language communities in Canada without adversely affecting the viability of Canadian third-language ethnic genres and their ability to contribute to that diversity.
- Since the issuance of the 2005 Broadcasting Policy Monitoring Report, the Commission has removed one multilingual service⁴² from the Lists and approved 27 new non-Canadian services to the digital Lists.

⁴⁰ The licensing framework for community-based television programming undertakings includes two sub-categories: community-based low-power television undertakings and community-based digital services.

⁴¹ See CRTC website: <http://www.crtc.gc.ca> under “Industries at a Glance.”

⁴² The Scandinavian Channel was removed from the Lists since it is no longer in service (Revised lists of eligible satellite services, Broadcasting Public Notice CRTC 2005-128, 8 August 2005).

- There are currently 134 non-Canadian services, broadcasting in 22 languages from approximately 31 countries, authorized for distribution in Canada by digital distributors. Of these services, 75 are also authorized for distribution by broadcasting distribution undertakings on an analog basis.
- The following table lists the non-Canadian satellite services that are authorized for distribution in Canada in May 2006⁴³.

Table 3.20: Non-Canadian satellite services authorized in Canada

Country of origin/Non-Canadian service name	Principal Language	Authorized for	
		Analog & digital	Digital only
Australia			
Network TEN	English		✓
Europe			
France, Eurochannel	Spanish / French / English / Italian / Portuguese		✓
France, EuroNews	English / French		✓
France, Eurosportsnews	English		✓
France, KTO	French		✓
France, Mezzo	French		✓
France, Paris-Première	French		✓
France, Planète	French		✓
+ France, Radio-France outre-mer (RFO1)	French	✓	
France, Trace TV (formerly Tropic)	French		✓
+ Germany, Deutsche Welle	German	✓	
+ Germany, German TV **	German		✓
Germany, ProSiebenSat.1 Welt	German		✓ ❖
Great Britain, BBC World	English	✓	
+ Great Britain, Muslim Television Ahmadiyya	Arabic/Chinese/French/ Russian/Spanish/ Swahili/Urdu		✓
Ireland, TV3 Republic of Ireland	English		✓
Italy, RAI International 2	Italian		✓
+ Netherlands, BVN-TV	Dutch		✓
Poland, Polsat 2 International	Polish		✓ ❖
+ Poland, TV Polonia	Polish	✓	
Portugal, ITVN	Polish		✓ ❖
Portugal, Radio Television Portugal International (RTPI)	Portuguese		✓ ❖
+ Romania, Romanian Television International (RTVI)	Romanian		✓
+ Spain, Grandes Documentales de TVE	Spanish		✓
Spain, TVE Internacional	Spanish		✓ ❖
+ Yugoslavia, RTV Palma	Hungarian/Serbian		✓

⁴³ Carriage of non-Canadian eligible satellite services is at the discretion of the BDU. In some cases, distribution is authorized under specific terms or conditions.

Country of origin/Non-Canadian service name	Principal Language	Authorized for	
		Analog & digital	Digital only
Asia			
Bangladesh, NTV Bangla	Bengali		✓ ❖
Bangladesh, ETV Bangla	Bengali		✓ ❖
China, ET-Global Channel	Chinese (Mandarin)		✓ ❖
India, Sahara One	Hindi		✓ ❖
India, Sun TV	Tamil		✓ ❖
+ Japan, TV Japan	Japanese	✓	
Pakistan, GEO TV	Urdu		✓ ❖
Pakistan, Indus Vision	Urdu		✓ ❖
Philippines, PMA Pinoy TV	Filipino		✓ ❖
Russia, Channel One Russia Worldwide TV (Channel One)	Russian		✓ ❖
Central and Latin America ⁴⁴			
Argentina, TELEFE Internacional	Spanish		✓ ❖
+ Argentina, Utilisima	Spanish		✓
Brazil, TV Globo Internacional (TV Globo)	Portuguese		✓ ❖
Chile, TV Chile	Spanish		✓ ❖
Colombia, TV Colombia	Spanish		✓ ❖
Dominican Republic, Supercanal Caribe	Spanish		✓ ❖
+ Latin America, Canal SUR	Spanish		✓
+ Latin America, CineLatino	Spanish		✓
Mexico, Azteca 13 International	Spanish		✓ ❖
Mexico, Canal de las Estrellas Latinoamérica	Spanish		✓ ❖
Mexico, Canal 52 MX	Spanish		✓ ❖
Middle East & North Africa			
+ Qatar, Al Jazeera	Arabic		✓
Saudi Arabia, Art Movies	Arabic		✓
New Zealand			
TV3 Television Network	English		✓
TV4 Television Network	English		✓
United States			
ABC – 8 independent stations*	English	✓	
CBS – 9 independent stations*	English	✓	
FOX – 7 independent stations*	English	✓	
NBC – 8 independent stations*	English	✓	
PBS – 7 independent stations*	English	✓	
KSTW-TV, Tacoma/Seattle (independent)	English	✓	
WUAB-TV, Cleveland (independent)	English	✓	
7 Superstations*	English	✓	
American Movie Classics	English	✓	
+ ART America	Arabic	✓	
Arts and Entertainment Network (A&E), The	English	✓	
Black Entertainment Television (BET)	English	✓	
Bloomberg Television	English		✓
Bridges TV	English		✓ ❖
Cable News Network (CNN)	English	✓	
Cable Satellite Public Affairs Network (C-Span)	English	✓	
Comedy Central	English	✓	

⁴⁴ From a variety of Latin American countries including Mexico, Argentina, Columbia, Chile, Venezuela and Peru

Country of origin/Non-Canadian service name	Principal Language	Authorized for	
		Analog & digital	Digital only
Consumer News and Business Channel (CNBC)	English	✓	
Court TV	English	✓	
CNN Headline News (CNN-2)	English	✓	
Discovery Wings ***	English		✓
Eternal Word Television Network (EWTN)	English		✓
+ Filipino Channel, The	Tagalog (Filipino)	✓	
Fox News	English		✓
Game Show Network	English	✓	
Golf Channel, The	English	✓	
Learning Channel, The	English	✓	
Lifetime Television	English	✓	
MSNBC	English		✓
New Tang Dynasty Television (NTDTV)	Chinese (Mandarin)		✓ ❖
NFL Network	English		✓
Oxygen Network	English		✓
Phoenix North American Chinese Channel (PNACC)	Chinese (Mandarin)		✓ ❖
Playboy TV	English	✓	
PTV-Prime USA (PTV)	Urdu		✓ ❖
Silent Network, The	English	✓	
Speed Channel	English	✓	
Spike TV	English	✓	
Sony Entertainment Television Asia (SET Asia)	Hindi		✓ ❖
Weather Channel (TWC), The	English	✓	
Turner Classic Movies	English	✓	
TV Land	English		✓
+ WMNB-TV: Russian-American Broadcasting Company	Russian	✓	

* For a listing of each station refer to Appendix A of the most recent Revised lists of eligible satellite services, which are available on the Commission's website.

** In Call for comments on the proposed addition of Baby TV to the eligible lists of satellite services for distribution on a digital basis, and on the removal of German TV, Public Notice CRTC 2006-38, 30 March 2006, the Commissions stated that it was its understanding that German TV ceased to operate on on 31 December 2005 and proposed to delete German TV from the digital Lists.

*** In Distribution of The Military Channel – Call for comments, Broadcasting Public Notice CRTC 2005-91, 19 September 2005, the Commission called for comments on a request to amend the Lists to reflect a name change to The Military Channel.

+Denotes a third-language service that was on the Lists prior to 16 December 2004.

❖ New authorization.

IV. Broadcasting distribution

A. Promoting effective competition

- The Commission's policy to promote competition among broadcasting distribution undertakings (BDUs) was first set out in *New regulatory framework for broadcasting distribution undertakings*, Public Notice CRTC 1997-25, 11 March 1997 (Public Notice 1997-25). The *Broadcasting Distribution Regulations*¹ (the BDU Regulations) serving to implement this policy came into effect 1 January 1998. The BDU industry has been experiencing a fundamental shift towards increased competition since the adoption of the regulatory framework in 1997 and the Commission has made a number of changes to its regulatory framework in response to this new environment.
- The Commission exempted small BDUs under certain conditions to allow them to operate with increased efficiency and reduced expenses in order to compete more effectively in *Exemption order respecting cable systems having fewer than 2,000 subscribers*, Public Notice CRTC 2001-121, 7 December 2001 (Public Notice 2001-121), *Exemption order respecting radiocommunication distribution undertakings (RDUs)*, Broadcasting Public Notice CRTC 2002-45, 12 August 2002 (Public Notice 2002-45), *Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers*, Broadcasting Public Notice CRTC 2003-23, 30 April 2003, and *Exemption order respecting cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers; and Amendment to the Broadcasting Distribution Regulations*, Broadcasting Public Notice CRTC 2004-39, 14 June 2004 (Public Notice 2004-39).
- In Public Notice 2001-121, the Commission identified 1,583 cable distribution undertakings having fewer than 2,000 subscribers. To date, 1,479 Class 3 cable licensees have been granted exemption status.
- Of the 103 cable distributors serving between 2,000 and 6,000 subscribers that might be eligible for exemption from licensing and regulation identified in Public Notice 2004-39, all but 27 had been granted exemption status as of 30 May, 2006. In addition, five Class 1 cable distribution undertakings having fewer than 6,000 subscribers had also been granted exemption status as of the same date.
- Subscription Television systems (STV) provide over-the-air television service to small (rural or remote) communities in underserved areas. These undertakings broadcast signals in an encoded or scrambled mode by means of low-power (about 20 watts) transmitters. In Public Notice 2002-45, the Commission issued an exemption order affecting most of these undertakings.

¹ *Proposed Broadcasting Distribution Regulations*, Public Notice CRTC 1997-84, 2 July 1997, and *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150, 22 December 1997.

- In August 2004, the Commission concluded a review of its winback rules that prohibit the targeted marketing by incumbent cable companies of customers who have cancelled basic cable service. In *Changes to the winback rules for broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-62, 13 August 2004, the Commission determined that the winback rules would be more effective if they were focused on areas where a truly competitive broadcasting distribution market has yet to emerge. Accordingly, the Commission eliminated the winback rules for single-unit dwellings and for cable systems that have fewer than 6,000 subscribers. The Commission also introduced additional winback rules to govern the conduct of incumbent BDUs with 6,000 or more subscribers in their dealings with residents of multiple-unit dwellings.
- In *Auditing of distributor subscriber information by programming services*, Broadcasting Public Notice CRTC 2005-34, 18 April 2005, the Commission issued a set of guidelines to ensure that programming services are able to obtain reasonable access to information held by BDUs regarding subscribers to their services.

1. Subscriber levels of incumbent and alternative BDU delivery systems

Table 4.1: Number of basic subscribers (000)

	Cable, class 1*		DTH		MDS & STV		Total	
2001	6,857	81.0%	1,520	18.0%	87	1.0%	8,465	100.0%
2002	6,704	76.9%	1,960	22.5%	57	0.7%	8,723	100.0%
2003	6,581	74.9%	2,152	24.5%	50	0.6%	8,783	100.0%
2004	6,642	74.1%	2,277	25.4%	39	0.4%	8,958	100.0%
2005**	6,607	72.7%	2,455	27.0%	32	0.4%	9,094	100.0%

* In this instance and throughout the document references to class 1 BDUs and class 1 cable BDUs include Digital Subscriber Line (DSL) results. Also note that as a result of PN 2004-39 a few class 1 cable systems have been exempted from reporting requirements.

** In this instance and throughout the document 2005 CRTC financial database results are preliminary.

Note: 2001 to 2004 figures have been updated to reflect current aggregate August 31 results.

Source: CRTC financial database

- Class 1 cable licensees continue to maintain the bulk of subscriber market share. Competition, primarily from direct-to-home (DTH), has reduced the overall share of Class 1 cable licensees from 81% in 2001 to 73% in 2005.
- Statistics Canada figures for 2004 indicate that there was a total of 7.6 million cable subscribers, meaning that in 2004, there were approximately 1 million subscribers to exempt cable systems.²
- DTH subscribership increased by 178,000 in 2005. This represents an increase of 7.8% in 2005 for a total market share of 27.0%.
- Digital Subscriber Line (DSL) undertakings distribute programming to subscribers through a telephone line or "copper twisted-pair." Digital modulation techniques permit the transmission of voice, high-speed data and video on the same copper

² Statistics Canada, *Broadcasting and Telecommunications Service Bulletin*, Catalogue No. 56-001-XIE.

twisted-pair. Currently Aliant Telecom Inc. (Aliant), Bell Canada (Bell), MTS Communications Inc. (MTS), Saskatchewan Telecommunications (SaskTel) and Telus Communications Inc. (TCI) are licensed as Class 1 BDUs to provide service using DSL technology.

B. Ensuring a financially strong sector

1. Revenues

Table 4.2: BDU revenues (\$ 000,000)

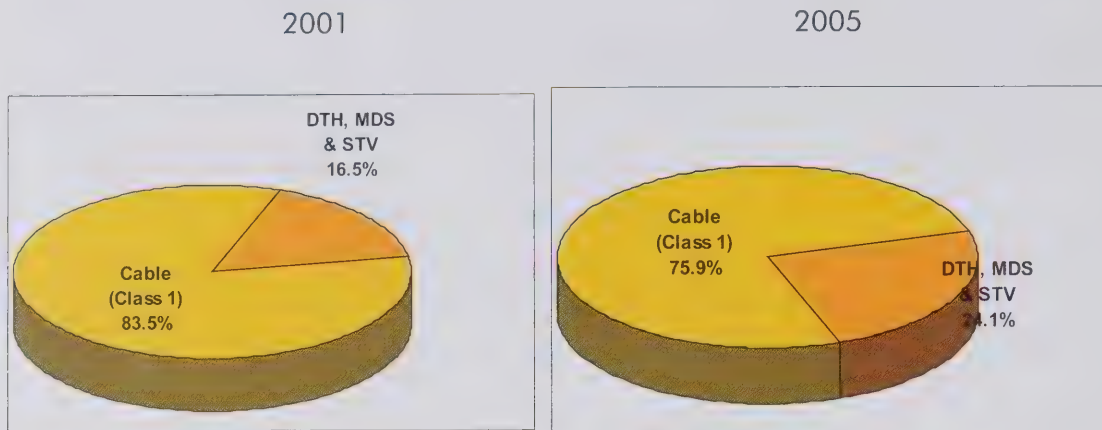
	2001	2002	2003	2004	2005
Basic programming revenue					
Revenue obtained from the basic programming service packages provided by distributors.					
Cable (Class 1)	1,693	1,664	1,709	1,810	1,843
DTH, MDS, STV	91	280	356	458	505
Total	1,784	1,944	2,065	2,268	2,348
Non-Basic programming revenue					
Revenue derived from discretionary programming service packages provided by distributors (programming services not on the basic service).					
Cable (Class 1)	1,295	1,360	1,394	1,475	1,538
DTH, MDS, STV	575	650	811	871	931
Total	1,869	2,009	2,205	2,346	2,469
Non-programming revenue					
Revenue derived from exempt services and non-programming services such as the Internet.					
Cable (Class 1)	440	685	1,053	1,270	1,188
DTH, MDS, STV	13	16	36	28	32
Total	453	702	1,089	1,298	1,220
Total revenue					
Includes revenue derived from programming and non-programming services.					
Cable (Class 1)	3,427	3,709	4,156	4,555	4,569
DTH, MDS, STV	679	946	1,204	1,357	1,468
Total	4,106	4,656	5,360	5,912	6,037

Source: CRTC financial database

- The BDU industry as a whole has continued to grow. In 2005 total revenues increased by over \$100 million.
- DTH, MDS and STV providers reported increased revenues of 8.2% in 2005.

- The charts below illustrate the changes in the share of total BDU revenues from 2001 to 2005.

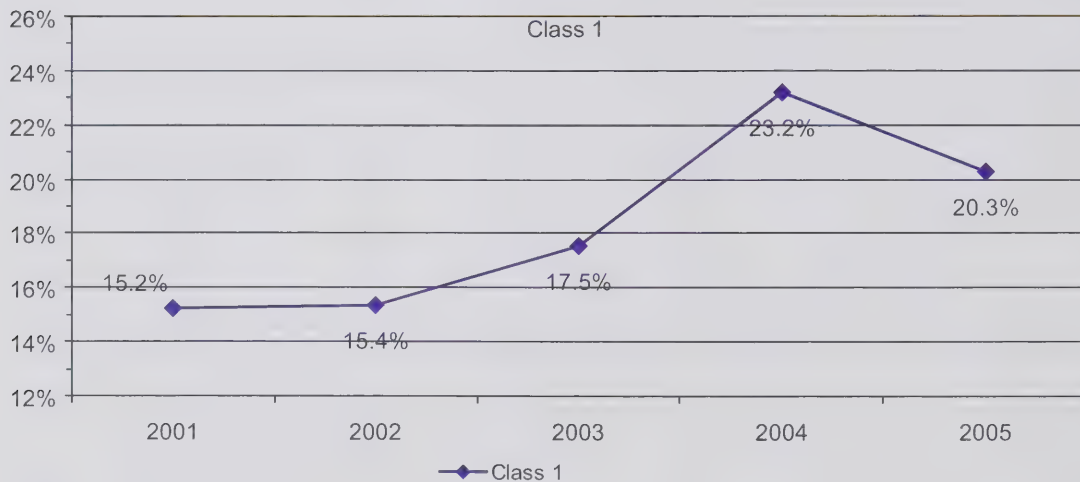
Chart 4.1: Distribution of total revenues



Source: CRTC financial database

2. Profit before interest and taxes (PBIT) margins, Class 1 undertakings

Chart 4.2: PBIT margins



Source: CRTC financial database

- The chart above shows the PBIT margins for Class 1 undertakings based on the reported results from all programming and non-programming services.
- The PBIT margin for Class 1 undertakings decreased slightly to 20.3% in 2005.

3. Return on investment – Class 1 undertakings

Chart 4.3: Return on average net fixed assets (RANFA)



Source: CRTC Financial Database

- A significant increase in the amount of average net fixed assets of class 1 cable undertakings led to a decrease in the RANFA in 2005.

C. Top Canadian distributors

Table 4.3: Top Canadian distributors and number of basic subscribers

Corporations	Number of subscribers (000)		
	2004	2005	2006
Rogers Cable Inc. ⁽¹⁾	2,266	2,249	2,260
Shaw Communications Inc. ⁽²⁾	2,074	2,138	2,179
Bell ExpressVu LLP. ⁽¹⁾	1,403	1,532	1,739
Vidéotron Ltée ⁽¹⁾	1,428	1,455	1,520
Star Choice Television Network Inc. ^(2,3)	814	830	862
Cogeco Cable Inc. ⁽²⁾	829	831	836
Total – Top Canadian distributors	8,814	9,035	9,396

(1) As of March 31 each year.

(2) As of February 28 each year.

(3) Star Choice Television Network Inc. is controlled by Shaw Communications Inc.

Sources: Corporate Quarterly Reports

D. Promoting digital technology

Table 4.4: Number of subscribers receiving digital services

Number of digital subscribers (000)							
Distribution type	Total			English		French	
	Number	% of Total	Growth	Number	Growth	Number	Growth
Sept. 2005			04 to 05		04 to 05		04 to 05
Digital cable	2,630.8	50%	28%	2,116.8	27%	514.0	32%
DTH *	2,514.9	48%	9%	n/a *	n/a *		
MDS	39.4	1%	-16%	26.2	-17%	13.2	-14%
DSL	90.3	2%	87%	90.3	87%	-	-
Total	5,275.4	100%	19%				
Sept. 2004			June 03 to Sept. 04		June 03 to Sept. 04		June 03 to Sept. 04
Digital cable	2,054.0	46%	6%	1,663.9	7%	390.1	4%
DTH *	2,301.4	52%	2%	n/a *	n/a *		
MDS	47.0	1%	-3%	31.7	-1%	15.3	-7%
DSL	48.2	1%	18%	48.2	18%	-	
Total	4,450.6	100%	4%				
June 2004			03 to 04		03 to 04		03 to 04
Digital cable	1,937.8	45%	25%	1,561.7	21%	376.1	48%
DTH *	2,257.4	53%	14%	n/a *	n/a *		
MDS	48.4	1%	-14%	32.0	-10%	16.4	-23%
DSL	40.9	1%	n/a	40.9		-	
Total	4,284.5	100%	19%				
June 2003			02 to 03		02 to 03		02 to 03
Digital cable	1,550.4	43%	34%	1,295.6	31%	254.9	53%
DTH	1,987.5	55%	9%	1,458.6		528.9	
MDS	56.7	2%	-19%	35.5	-16%	21.2	-23%
Total	3,594.6	100%	18%				
June 2002							
Digital cable	1,155.6	38%		989.3		166.3	
DTH	1,825.0	60%		1,339.4		485.6	
MDS	69.9	2%		42.4		27.5	
Total	3,050.5	100%					

* English- and French-language subscriber estimates for DTH were not provided in 2004 or 2005.

Source: Mediastats

E. Ensuring contributions to Canadian programming and local expression

- The BDU Regulations require that all Class 1 and Class 2 cable licensees³, as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of their

³ Includes Digital Subscriber Line (DSL)

gross annual revenues derived from broadcasting activities to support Canadian programming. Contributions to Canadian programming are made through the Canadian Television Fund (CTF)⁴ and other independent production funds, as well as through contributions to local expression.

- The BDU Regulations require that a minimum of 80% of the gross revenues that must go to production funds be directed to the CTF, with up to 20% directed to one or more independently administered production funds, other than the CTF. The Commission's *Contributions to Canadian Programming by Broadcasting Distribution Undertakings*, public notice CRTC 1997-98, 22 July 1997, as well as two subsequent Public Notices⁵, set out the criteria to be met by such independently administered funds.

1. Contributions to programming funds

Table 4.5: Contributions to programming funds

Contributions to programming funds (\$ 000,000)															
Class & subscriber level	CTF					Independent Funds					Total CTF & Other Funds				
	01	02	03	04	05	01	02	03	04	05	01	02	03	04	05
Class 1 > 20,000	63	61	64	67	66	15	15	16	17	15	78	76	80	84	81
Class 1 < 20,000	4	5	3	1	0	1	1	1	0	0	5	6	4	1	0
DTH, MDS & SRDU*	25	38	47	54	57	8	10	12	14	15	33	47	59	67	71
Total	92	103	115	122	123	24	26	29	31	30	116	129	143	152	153

Notes: Based on August 31 of each year. An internal review resulted in a reclassification of some of the contributions from 2001-2004.

SRDU: Satellite Relay Distribution Undertaking

Source: CRTC financial database

- As Class 2 cable systems have largely been granted exemption status, they are not required to file annual returns reporting their contributions to programming funds to the Commission.
- Several Class 1 cable systems passed the 20,000 subscriber mark in 2004 and some Class 1 cable systems serving fewer than 6,000 subscribers were exempted and ceased to file annual returns in 2004, accounting for the difference in CTF contributions reported between 2003 and 2004.

⁴ The CTF is the successor to the Canadian Television and Cable Production Fund.

⁵ *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2003-38, 16 July 2003, and *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-21, 31 March 2004.

2. Total community channel expenses

Table 4.6: Community channel expenses for class 1 cable

Total community channel expenses (\$ 000)					
	2001	2002	2003	2004	2005
Class 1 > 20,000	56,680	65,812	64,288	69,493	71,331
Class 1 < 20,000	13,970	20,152	16,986	18,828	17,797
Total	70,651	85,965	81,274	88,321	89,128

Notes: Based on August 31 of each year. 2001 to 2004 figures have been updated to reflect current aggregate August 31 results. Class 1 BDU must comply with Section 29 of the Broadcasting Distribution Regulations, which requires them to pay a contribution of 5% of its gross revenues derived from broadcasting activities to Local Expression and Canadian Programming. The eligible amount for Local Expression is explained in Public Notice CRTC 1991-59, Community Channel Policy, and includes the depreciation relating to direct expenditures.

Source: CRTC financial database

- Public Notice 1997-25 introduced flexibility for cable licensees in regard to the manner in which they contribute to Canadian programming and local expression, formerly required through investment in a community channel.
- The BDU Regulations permit Class 1 licensees with fewer than 20,000 subscribers to allocate all of their Canadian programming contributions to local expression.

3. Number of systems maintaining a community channel

- The BDU Regulations no longer require class 1 and 2 licensees to operate a community channel. Apart from its benefits to the public through local reflection, the community channel provides cable operators with a highly effective medium to establish a local presence and to promote a positive corporate image. Accordingly, many continue to offer one.
- The following table outlines the number of Class 1 licensees that have reported community channel expenses between 2001 and 2005. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than one undertaking.

Table 4.7: Cable undertakings contributing to community channels

	2001	2002	2003	2004	2005
Class 1 > 20,000	70	68	66	68	69
Class 1 < 20,000	75	75	77	69	66

Note: Based on August 31 of each year. 2001 to 2004 figures have been updated to reflect current aggregate August 31 results.

Source: CRTC financial database

V. Diversity and social issues

The Commission's key social policy objectives can be described under four general headings:

- A. Official languages
- B. Diversity
- C. Accessibility
- D. Programming standards

A. Official languages

- The *Broadcasting Act* (the Act) acknowledges that "English and French language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements". The Act requires that "a range of broadcasting services in English and in French shall be extended to all Canadians as resources become available" and that CBC programming shall reflect the "particular needs and circumstances of English and French linguistic minorities" and be "of equivalent quality in English and French".
- Furthermore, the CRTC is required, pursuant to section 41 of the *Official Languages Act* (OLA), to develop, following consultations with minority official languages communities, an action plan on official languages.
- The steps taken by the Commission to support the *Broadcasting Act's* objectives related to linguistic duality are set out in the CRTC's 2004-2005 *Official Languages Action Plan*.¹ This plan reflects CRTC activities falling within the scope and limits of its mandate while addressing the needs and priorities of the minority official languages communities.
- The Commission is currently preparing a three-year action plan regarding the implementation of section 41 of the OLA and is completing a Statement of Achievements for the past year. Both documents will be available on the CRTC website in early Summer 2006.
- The Commission will continue to actively support initiatives to encourage linguistic duality, to help foster the recognition and use of both English and French in Canada. It will also continue, within the limits of its mandate, to support the enhancement of the vitality of English- and French-language minority communities in Canada and assist them in their development.

¹ A copy of this report is available on the CRTC's website <http://www.crtc.gc.ca/eng/BACKGRND/language/plan2004.htm>.

B. Diversity

- The Commission's objective with regard to diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of ethnocultural minorities, Aboriginal peoples and persons with disabilities. Consistent with section 3(1)(d)(iii) of the Act, the Canadian broadcasting system should

through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society.
- Accordingly, the Commission expects all licensees to reflect the diversity of the markets they serve.
- The Commission has identified two clear objectives for the Canadian broadcasting system with respect to diversity:²
 - The broadcasting system should be a mirror in which all Canadians can see themselves.
 - The broadcasting system should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills.
- In practical terms, the Commission's objectives are to ensure:
 - the accurate reflection of the presence ("who we see" and "who we hear") of ethnocultural minorities, Aboriginal peoples and persons with disabilities; and
 - the accurate, fair and non-stereotypical portrayal ("how we see" and "how we hear") of such groups.
- The Commission is achieving its objectives by licensing services that target specific communities and through expectations with regard to private television broadcasters, private radio broadcasters and the Canadian Broadcasting Corporation (CBC).

1. Services targeted to specific communities

- The Commission continues to license services dedicated to serving specific communities such as:
 - over-the-air ethnic radio and television services;
 - ethnic specialty and pay services;
 - native radio and television undertakings; and
 - The Aboriginal Peoples Television Network.

² *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999.

- The Commission authorizes non-Canadian third-language services for distribution in Canada, subject to certain criteria. In December 2004, the Commission issued Public Notice 2004-96³, which announced a revised approach to the assessment of requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis. The revised policy, which established a more open-entry approach to the authorization of non-Canadian third-language general interest services, puts a greater emphasis on expanding the diversity and choice in television services available to underserved third-language ethnic communities in Canada. Since the announcement of the revised policy, a total of twenty-five (25) third-language services have been authorized.⁴
- In November 2005, the Commission issued Public Notice 2005-104⁵, which announced the establishment of an open-entry approach for general interest third-language ethnic Category 2 pay and specialty services in order to expand the diversity and range of services available to underserved communities. Thirteen (13) Canadian third-language ethnic Category 2 services have been approved under the revised policy and several applications are currently under review.⁶

2. Private television broadcasters

Employment Equity

- The Commission requires broadcasters to describe their plans and activities with respect to the equitable employment⁷ and on-air representation of the four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.

Cultural Diversity Corporate Plans

- Since August 2001, the Commission has required television licensees to develop and file detailed corporate plans that include specific commitments to corporate accountability, the reflection of diversity in programming, and the solicitation of effective feedback from viewers.⁸ Since 2004, the Commission has required that these plans also include persons with disabilities.⁹ As of 31 March 2006, the Commission has received plans from:

³ *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004.

⁴ The number of authorized third-language services quoted here represents the number that was authorized as of the publication of this report.

⁵ *Revised approach for the consideration of broadcasting licence applications proposing new third-language ethnic Category 2 pay and specialty services*, Broadcasting Public Notice CRTC 2005-104, 23 November 2005.

⁶ The number of approved Canadian third-language ethnic Category 2 services quoted here represents the number that was approved as of the publication of this report.

⁷ Licensees with 100+ employees report on employment equity directly to Department of Human Resources and Social Development.

⁸ Broadcasters' corporate plans for cultural diversity are available on the Commission's diversity public file.

⁹ *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.

- Alliance Atlantis Broadcasting Inc.
 - Astral Broadcasting Group Inc.¹⁰
 - Cable Public Affairs Channel Inc.
 - CHUM Limited
 - Consortium de télévision Québec Canada inc.
 - Corus Entertainment Inc.
 - CTV Television Inc.
 - Global Communications Limited
 - Groupe TVA inc.
 - Learning & Skills Television of Alberta Limited
 - MusiquePlus inc.
 - Pelmorex Communications Inc.
 - Rogers Broadcasting Limited
 - The Score Television Network Limited
 - TQS Inc.
 - Vision TV
- As a key tool for monitoring progress in this respect, the Commission also requires television licensees to file annual reports outlining progress made to achieve the stated goals and any new initiatives undertaken. These reports are available on the Commission's website.¹¹

Task Force for Cultural Diversity on Television

- In July 2004, the Task Force for Cultural Diversity on Television, which was formed by the CAB in 2001, published an extensive report.¹² The report includes the results of a landmark quantitative and qualitative study of the state of representation on private Canadian television as well as a recommended set of best practices and industry initiatives.
- The Commission issued its response to the report in Public Notice 2005-24.¹³ The Commission stated that, in addition to overall improvements in the representation and reflection of ethnocultural diversity on television, it expects progress to be made by broadcasters in addressing the key gaps identified by the research, namely:
 - the virtual absence of Aboriginal peoples in all genres of programming;
 - the significant under-representation of Asian Canadians in all genres of programming; and,
 - the lack of visible minorities and Aboriginal peoples in French-language news, in lead roles in English-language news programming, and in primary roles in English-language drama.

¹⁰ Teletoon/Télétoon adheres to the plan filed by Astral Broadcasting Group Inc.

¹¹ http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

• *Reflecting Canadians: Best Practices for Cultural Diversity in Private Television*, is available on the CAB website (http://www.cab-acr.ca/english/culturaldiversity/report/cdtf_report_jul04.pdf)

Commission's response to the report of the Task Force for Cultural Diversity on Television, Broadcasting Public Notice CRTC 2005-24, 21 March 2005.

- The Commission stated that it expects the CAB to report annually on its progress in implementing the industry initiatives recommended by the Task Force. The CAB filed its first report on 28 April 2006.

Persons with Disabilities

- In Public Notice 2004-2¹⁴, the Commission also called upon the CAB to develop and file a plan outlining its proposed process to examine issues surrounding the presence, portrayal and participation of persons with disabilities in television programming. The CAB filed an action plan on 16 August 2004.
- The CAB's final report, entitled *The Presence, Portrayal and Participation of Persons with Disabilities in Television Programming*, was filed with the Commission in September 2005. It included the results of a three-part qualitative research project on the state of the presence, portrayal and participation of persons with disabilities on Canada's privately-owned television services, as well as proposed initiatives, tools and recommendations for both the CAB, its members and its industry partners. The Commission is expected to issue its response to the CAB's final report in Spring 2006.

Review of Industry Codes

- In Public Notice 2005-24, the Commission further directed the CAB to review its broadcasting industry codes to determine whether they address concerns identified in the research findings regarding reflection and portrayal. The CAB filed a report with the Commission on 23 December 2005. The CAB reported that it plans to submit a new code to the Commission in June 2006 that establishes industry standards for the portrayal of ethnocultural and Aboriginal groups and persons with disabilities. It is the CAB's intention that this code will expand and effectively replace the CAB Sex-Role Portrayal Code for Radio and Television Programming.

3. The Canadian Broadcasting Corporation (CBC)

- The Commission requires that the CBC include in its annual reports a description of how it is fulfilling its commitment as noted in Public Notice CRTC 2000-1¹⁵ to more adequately reflect the multicultural and multiracial nature of Canada and to balance their representation on the air in a manner that realistically reflects their participation in Canadian society, and that help to counteract negative stereotypes.

4. Private radio broadcasters

- In Public Notice 1998-41¹⁶, the Commission encouraged radio broadcasters to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.

¹⁴ *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.

¹⁵ *A distinctive voice for all Canadians: Renewal of the Canadian Broadcasting Corporation's licences*, Public Notice CRTC 2000-1, 6 January 2000.

¹⁶ *Commercial Radio Policy*, Public Notice 1998-41, 30 April 1998.

- As part of the current policy review announced in Notice of Public Hearing 2006-1¹⁷, the Commission is exploring ways to ensure that the commercial radio sector reflects the multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within society, as well as reflection of persons with disabilities.

C. Accessibility

- Section 3(1)(p) of the Act states that “programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose.”

1. Access for persons who are deaf or hard of hearing

- Access for persons who are deaf or hard of hearing is provided through closed captioning, which provides on-screen textual representation of the audio component of a program. Closed captioning is generally presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.
- The Commission is committed to improving service to viewers who are deaf or hard of hearing, and has consistently encouraged broadcasters to increase the amount of closed-captioned programming they broadcast.
- The Commission generally requires English-language conventional television and specialty and pay services to caption 90% of their programming, including 100% of their news, by condition of licence.
- In Public Notice 1999-97¹⁸, the Commission stated that French-language television broadcasters should be subject to requirements similar to those imposed on English-language television broadcasters. Increased obligations are being imposed on French-language broadcasters at individual licence renewals.
- The Commission also expects the broadcasters to focus on improving the quality, reliability and accuracy of closed captioning, and to work with representatives of the deaf and hard of hearing community to ensure that captioning they provide continues to meet their needs.
- The Commission encourages the private television English-language broadcasters to use the closed captioning manual developed by the CAB entitled “Closed Captioning Standards and Protocol Manual for English-Language Broadcasters”.
- In addition, the CBC/SRC has developed and uses *The CBC Captioning Style Guide* and the *Normes de sous-titrage*.

¹⁷ Review of the Commercial Radio Policy, Broadcasting Notice of Public Hearing CRTC 2006-1, 13 January 2006.

¹⁸ Building on Success – A Policy Framework for Canadian Television, Broadcasting Public Notice CRTC 1999-97, 11 June 1999.

- Following the licence renewals of 21 French-language television stations in 2004, the Commission required that SRC, TVA and TQS report annually to the Commission on the progress made toward improving the quality and quantity of closed captioning. The Commission also required TVA and TQS to file their internal standards on caption quality with the Commission, and to work with the CAB to develop standards and procedures respecting closed captioning for French-language television broadcasters.
- As part of its on-going role in monitoring and assessing its approach to closed captioning, the Commission met with the Canadian Association of the Deaf and the CAB in November 2005 to discuss concerns relating to the quantity and quality of captioning.

2. Access for persons who are blind or whose vision is impaired

- Access for persons who are blind or whose vision is impaired is provided through audio description or video description (or described video programming).
- Audio description is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission expects licensees to provide audio description, wherever appropriate.
- Described video programs have narrated descriptions of key visual elements that are timed to occur during lapses in dialogue. Description is normally provided on the secondary audio programming (SAP) channel. Programming such as drama, documentary and children's programs best lend themselves to described video.

Current requirements to provide described video programming

- Major conventional television stations are:
 - Required, by condition of licence, to describe a minimum amount of Canadian programming, generally starting at two hours per week and eventually reaching four hours per week.
 - expected to broadcast described versions of programming, wherever available.
- Pay and specialty services renewed since 2001 are:
 - expected to broadcast described versions of programming, wherever available.
 - six of the specialty services renewed in January 2004 are required, by condition of licence, to describe a minimum of two hours per week (starting 1 September 2005), increasing to three hours per week (beginning 1 September 2008).¹⁹
 - two of the French-language specialty services renewed in August 2005 are required, by condition of licence, to describe a minimum of two hours per week

¹⁹ History Television, Space: The Imagination Station, The Comedy Network, Teletoon/Télétoon, Treehouse TV, and Prime TV. See *Introduction to Broadcasting Decisions 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Public Notice CRTC 2004-2, 21 January 2004.

(starting 1 September 2007 or 1 September 2008), increasing to a minimum of three hours per week (starting 1 September 2010 or 1 September 2011)²⁰ and two others are required, by condition of licence, to describe a minimum of two hours per week (starting 1 September 2009).²¹

- Distributors:
 - In Public Notice 2005-18,²² the Commission reminded Class 1 cable operators and direct-to-home (DTH) providers of their obligation to pass through all described video programming being provided to them by programming services.
 - Subsequently, in Public Notice 2006-6,²³ the Commission stated that, while Class 2, Class 3 and exempt broadcasting distribution undertakings (BDUs) are required to pass through video description of all programming services on a digital basis, it would be prepared to relieve exempt BDUs and certain Class 2 and Class 3 BDUs of the requirement to pass through video description on an analog basis. The Commission also stated that it finds it appropriate to relieve multipoint distribution system (MDS) BDUs of the pass through requirements due to difficulties experienced in the existing competitive environment.

3. National reading services

- VoicePrint and La Magnétothèque are national reading services which were licensed in 1990 to provide programming of benefit to persons who are blind, whose vision is impaired or who are print-restricted. These services provide full-text reading of stories, information, news and features published by a variety of newspapers, magazines and periodicals.
- VoicePrint has mandatory carriage in English-language markets pursuant to an order issued under section 9(1)(h) of the Act.²⁴ Cable companies distributing VoicePrint on an analog basis distribute it on CBC Newsworld's SAP channel. MDS licensees, DTH satellite distributors and cable companies distributing Voiceprint on a digital basis distribute it on an audio channel located near a CBC channel.
- La Magnétothèque is provided by cable undertakings as background audio on alphanumeric channels or as audio services on audio channels of their undertakings. It is also offered to FM radio station licensees for broadcast on Subsidiary Communications Multiplex Operation Channels (SCMO).

²⁰ *Canal D – Licence renewal*, Broadcasting Decision CRTC 2005-441, 31 August 2005; *Séries+ – Licence renewal*, Broadcasting Decision CRTC 2005-444, 31 August 2005.

²¹ *Ztélé – Licence renewal*, Broadcasting Decision CRTC 2005-442, 31 August 2005; *Historia – Licence renewal*, Broadcasting Decision CRTC 2005-443, 31 August 2005.

²² *Commission requirements for the pass-through of video description – Call for comments on the obligations of smaller broadcasting distribution undertakings*, Public Notice CRTC 2005-18, 25 February 2005.

²³ *Distribution of video description by Class 2, Class 3 and exempt cable distribution undertakings (BDUs) and by multipoint distribution system BDUs*, Broadcasting Public Notice CRTC 2006-6, 19 January 2006.

²⁴ Distribution Order 2000-1 set out in Decision CRTC 2000-380, 11 September 2000 and Decision CRTC 2000-380-1, 21 September 2000.

D. Programming standards

- The Commission is required, pursuant to section 5(1) of the Act, to regulate and supervise the Canadian broadcasting system with a view to implementing the broadcasting policy set out in section 3(1) of the Act. Section 3(1) sets out an extensive declaration of the broadcasting policy for Canada, listing a number of policy objectives that speak to programming standards. Section 3(1)(d)(i) declares that the Canadian broadcasting system should “serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.” Section 3(1)(d)(ii) states that the Canadian broadcasting system should “encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity.” Section 3(1)(d)(iii) states that the Canadian broadcasting system should through its programming and employment opportunities arising out of its operations, “serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights.” Section 3(1)(g) states that “the programming originated by broadcasting undertakings should be of high standard.”
- The Commission is required to balance the achievement of these objectives against the requirement to apply the Act in a manner consistent with freedom of expression and journalistic, creative and programming independence enjoyed by broadcasting undertakings as set out in section 2(3) of the Act. Section 3(1)(h) of the Act states that the broadcasters themselves “have a responsibility for the programs they broadcast.”
- A key mechanism for achieving these objectives is through self-regulation. The industry must abide by the following industry codes, some of which apply as a result of the Commission’s regulations, some by condition of licence and some as a result of membership in the Canadian Broadcast Standards Council (CBSC), Advertising Standards Canada (ASC) or the Cable Television Standards Council (CTSC):²⁵
 - ASC Canadian Code of Advertising Standards
 - Broadcast Code for Advertising to Children
 - Cable Television Community Channel Standards
 - Cable Television Customer Service Standards
 - CAB Code of Ethics
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CBC Guidelines on Sex-Role Portrayal
 - Code for Broadcast Advertising of Alcoholic Beverages
 - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services
 - Pay Television and Pay-Per-View Programming Code Regarding Violence
 - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of Ethics

²⁵ Links to these codes are available on the Commission’s website www.crtc.gc.ca under Industries at a Glance.

- As noted above, in response to Public Notice 2005-24, the CAB intends to submit a new portrayal code in June 2006 that incorporates standards, not only for the portrayal of women, but also for the portrayal of ethnocultural groups, Aboriginal peoples and persons with disabilities.²⁶
- The Commission expects any discretionary service broadcasting adult programming to adhere to the adult programming provisions contained in *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services*.²⁷ The Code includes a comprehensive section specifically addressing adult programming that provides clear guidance for broadcasters regarding the classification and scheduling of adult films. Furthermore, the Commission expects all licensees that distribute adult programming to develop internal policies for the broadcast of adult programming to be submitted at the time of licensing, licence renewal or in the event of a complaint.

1. Complaints and enquiries

- The Commission frequently receives requests for information, comments on procedural issues and complaints by the public, via e-mail, telephone and letter. The following table provides a breakdown of contacts related to broadcasting enquiries in general and broadcasting complaints that the Commission received on an annual basis from 1 September 2002 to 31 August 2005, and during the 6-month period from 1 September 2005 to 31 March 2006.

Table 5.1: Number of contacts by public

	1 September to 31 August			1 Sep. to 31 Mar.
	2002-03	2003-04	2004-05	2005-06
Broadcasting matters	24,770	18,273	23,848	12,531
Broadcasting complaints	11,581	10,575	9,604	5,644

Source: CRTC Correspondence Tracking System²⁸

- The following table provides representative samples of the types of broadcasting complaints that the CRTC received during the same time periods, with respect to radio, television, specialty, pay and PPV services. The table also provides the number of referrals that were made by the CRTC to the CBSC for complaints that fell within the CBSC's mandate.

²⁶ This code would replace the CAB's *Sex-Role Portrayal Code for Television and Radio Programming*.

²⁷ *Industry code of programming standards and practices governing pay, pay-per-view and video-on-demand services*, Broadcasting Public Notice CRTC 2003-10, 6 March 2003.

²⁸ The tacking system counts multiple contacts by the same client on the same complaint as separate units. The actual number of complaints received would, therefore, be slightly lower.

Table 5.2: Broadcasting complaints by sector, by issue

	1 September to 31 August						1 Sep. to 31 Mar.	
	2002-03		2003-04		2004-05		2005-06	
	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC
Radio								
Abusive comment ²⁹	148	57	81	39	93	48	56	31
Adult content	46	23	32	16	28	17	21	17
Alcohol advertising	-	-	1	-	1	1	1	1
Gender portrayal	39	27	1	1	1	1	2	2
Offensive comment ³⁰	408	255	291	165	331	156	129	52
Offensive language ³¹	74	24	27	8	58	24	26	13
Conventional television								
Abusive comment	87	31	195	34	370	84	199	78
Adult content	303	145	441	286	270	120	158	86
Alcohol advertising	19	3	17	1	13	1	2	1
Gender portrayal	51	32	14	-	14	2	2	1
Offensive comment	203	62	660	158	389	161	369	218
Offensive language	91	59	48	21	49	19	49	20
Television violence	84	27	99	34	90	32	63	25
Specialty channels								
Abusive comment	25	18	10	2	130	9	8	4
Adult content	110	59	102	62	138	84	69	43
Alcohol advertising	4	-	1	-	-	-	-	-
Gender portrayal	6	4	-	-	-	-	3	2
Offensive comment	35	19	38	21	59	35	20	15
Offensive language	15	7	8	1	42	14	14	9
Television violence	12	9	11	11	19	12	13	8
Pay television and pay-per-view services³²								
Abusive comment	-	-	-	-	-	-	-	-
Adult content	11	-	14	-	5	-	3	-
Alcohol advertising	-	-	-	-	-	-	-	-
Gender portrayal	-	-	-	-	-	-	-	-
Offensive comment	-	-	-	-	-	-	-	-
Offensive language	-	-	-	-	1	-	-	-
Television violence	1	-	5	-	-	-	1	-
Subscription Radio (Satellite)								
Abusive comments	-	-	-	-	-	-	3	3

Source: CRTC Correspondence Tracking System

²⁹ Where a complaint alleges that comments that tend or are likely to expose to hatred or contempt persons or groups of persons from one of the groups identified in the Television Broadcasting Regulations, Radio Regulations, Specialty Services Regulations and Broadcasting Distribution Regulations.

³⁰ Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.

³¹ Where a complaint alleges offensive language in song lyrics or in spoken word.

³² Since none of the pay and pay-per-view services are CBSC members, there are no referrals to the CBSC.

2. Canadian Broadcast Standards Council (CBSC)

- The CBSC³³ administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of the standards set out in the following codes:
 - CAB Code of Ethics
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - Radio and Television News Directors Association of Canada Code of Ethics
- The Commission deals with complaints that are related to non-member broadcasters who are not CBSC members and with issues that do not fall within the parameters of the Codes administered by the CBSC.

Table 5.3: Complaints handled by the CBSC

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Files handled by the CBSC	620	873	924	1,395	1,492	1,526
Referred by the CRTC	283	443	635	941	1,066	1,013

Source: CBSC annual reports

- The CBSC files annual reports about its activities with the Commission.
- It is important to note that, while not a censor, the Commission is always the final arbiter on matters regarding programming standards. Viewers and listeners may always ask the Commission to consider their complaints either directly, or where they are not satisfied with the results of the self-regulatory process.

3. Advertising Standards Canada (ASC)

- ASC³⁴ is a not-for-profit industry body committed to creating and maintaining community confidence in advertising. ASC responds to complaints by consumers and special interest groups regarding advertising with respect to all media subject to the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation. In addition, ASC undertakes pre-clearance functions in five industry categories based on applicable legislation, regulations, and/or industry codes and guidelines.

³³ www.cbsc.ca

³⁴ www.adstandards.com

Table 5.4: Complaints handled by ASC

	1999	2000	2001	2002	2003	2004	2005
Complaints received by ASC	1,075	1,143	1,164	1,828	1,133	1,540	1,271
Complaints about television ads	554 (51%)	595 (52%)	549 (47%)	591 (32%)	588 (52%)	939 (61%)	579 (46%)
Complaints about radio ads	51 (5%)	48 (4%)	57 (5%)	50 (2.7%)	51 (5%)	90 (6%)	57 (4%)

Source: Ad complaints reports

4. Cable Television Standards Council (CTSC)

- The CTSC³⁵ dealt with complaints with respect to cable service, such as concerns about quality of service and billing until 12 April 2006, when this organisation ceased operation. Since then, complaints filed with the Commission about quality of service and billing are forwarded to the appropriate licensee for resolution. The Commission continues to process complaints regarding simultaneous signal substitution, quality of signal and carriage of mandatory signals. For the 2004/2005 broadcast year, the CTSC processed 456 complaints, of which 135 were referred to the CTSC by the CRTC.

³⁵ www.ctsc.ca

VI. New media

A. New media broadcasting undertakings

- New Media broadcasting undertakings are those undertakings that provide broadcasting services delivered and accessed over the Internet in accordance with the interpretation of “broadcasting” set out in *New Media*, Broadcasting Public Notice CRTC 1999-84, 17 May 1999 (New Media report).
- In the New Media report, the Commission considered that new media were making a positive contribution to the objectives of the Act by enhancing opportunities for Canadian expression. The Commission also found that a significant amount of Canadian content was present on the Internet and that this content was created and made available in the absence of regulation. Further, the Commission found that local Canadian content was important to the development of Canadian new media businesses.
- In *Exemption order for new media broadcasting undertakings*, Broadcasting Public Notice CRTC 1999-197, 17 December 1999 (New media exemption order), the Commission exempted new media broadcasting undertakings that operate in whole or in part in Canada from regulation. The exemption does not apply to the licensed broadcasting activities of a company that also operates new media broadcasting undertakings.
- In issuing the exemption order, the Commission noted that conditions in the new media market were changing rapidly and that the exemption would enable continued growth and development of the new media industries in Canada, thus contributing to the achievement of the broadcasting policy objectives, including access to these services by Canadians.
- The Commission also noted that key technological developments would be required before new media services could compete directly with conventional broadcasting services or impede traditional broadcasters from fulfilling their obligations under the Act.
- In April 2006, the Commission set out a regulatory framework for mobile television broadcasting services. In *Regulatory framework for mobile television broadcasting services*, Broadcasting Public Notice CRTC 2006-47, 12 April 2006 (Public Notice 2006-47) the Commission concluded that certain mobile broadcasting services that were both delivered and accessed over the Internet fell within the scope of the New media exemption order. The Commission also proposed to issue an additional exemption order¹ that would apply to mobile television broadcasting services that are not delivered and accessed over the Internet. In so doing, the Commission stated that

¹ Call for comments on a proposed exemption order for mobile television broadcasting undertakings, Broadcasting Public Notice CRTC 2006-48, 12 April 2006

mobile television broadcasting services share many of the same characteristics as those discussed in the New Media report.

- The Commission will continue to monitor the impact of new media broadcasting undertakings on the Canadian broadcasting industry and licensed broadcasters.

B. Internet

- This section provides a brief overview of how Canadians are accessing and using the Internet.
- Most of the results presented in this section are taken from CyberTRENDS, ComQUEST Research Reports². The data is based on national surveys of Canadian adults.
- For additional information relating to the Canadian Internet, broadband and wireless services, the reader may also refer to the *CRTC Telecommunications Monitoring Report, Status of Competition in Canadian Telecommunications Markets and Deployment/Accessibility of Advanced Telecommunications Infrastructure and Services*³. This annual report provides information relating to Canadian telecommunications markets and includes data and analysis relating to Canadian Internet, broadband and wireless services, as well as new technologies.

1. Computer ownership by Canadian households

Table 6.1: Personal computer ownership rates of Canadian households

			March				December		
1998	1999	2000	2001	2002	2003	2004	2004	2005	
49%	53%	55%	63%	64%	64%	68%	71%	74%	

Source: CyberTRENDS, ComQUEST Research: March 1998 to 2004 and December 2004 to 2005 editions

- Overall, personal computer ownership rate increased 3 percentage points from December 2004 to December 2005. According to CyberTRENDS, significant ownership increases were noted among individuals between 55 to 64 years of age (7 percentage points) and those 65 years of age or greater (12 percentage points).
- Income continues to be a determining factor in computer ownership. In December 2005, 96% of households with an income over \$80,000 owned computers while 49% of households with an income under \$20,000 owned computers.

² CyberTRENDS, ComQUEST Research, Research Dimensions, Website: <http://www.researchdimensions.com>

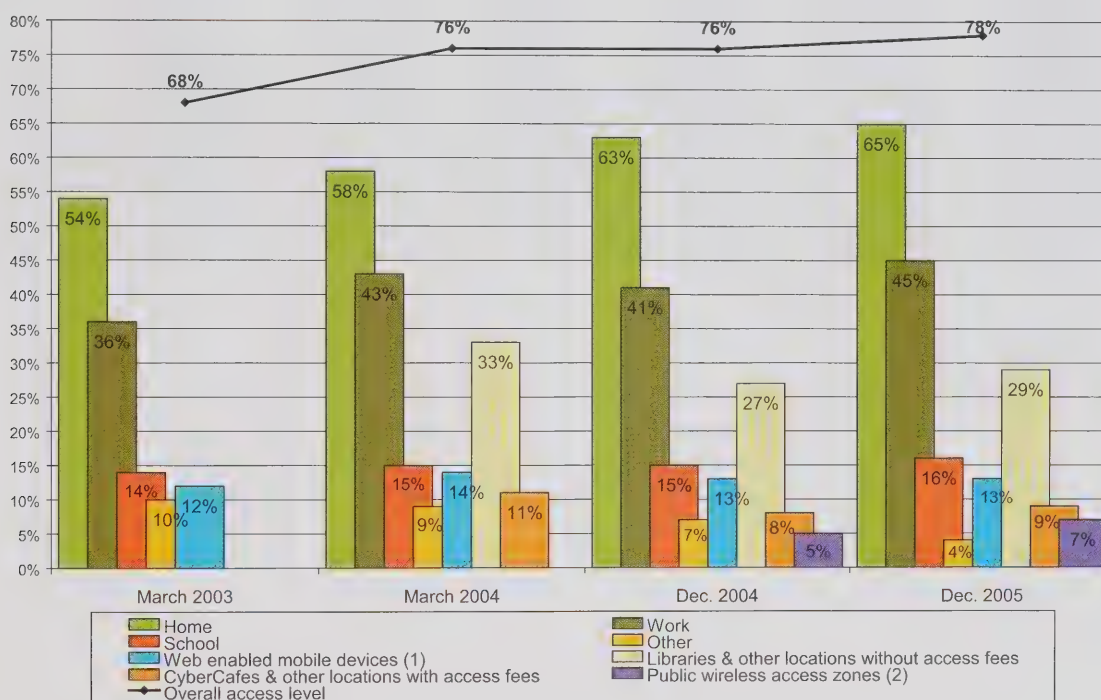
³ Copies of these annual reports are located on the CRTC website http://www.crtc.gc.ca/dcs/eng/pub_arch.htm

2. Internet access by Canadians

a) Percentage of Canadians having Internet access

- The following chart shows the overall percentage of Canadians who have access to the Internet.
- The clustered columns in this chart set out the percentage of Canadians having access to the Internet from various devices or locations. Since many Canadians access the Internet from more than one source, these percentages reflect multiple responses.

Chart 6.1: Overall Internet access and Internet access by location



Notes: (1) Such as BlackBerry, cell phone or Personal digital assistant (PDA) (2) Sometimes referred to as Hotspots
Source: CyberTRENDS, ComQUEST Research: March 2003 and 2004, and December 2004 and 2005 editions

- The percentage of Canadians accessing to the Internet has increased only slightly since March 2004.
- The decline in the "Other" category from March 2003 to December 2005 can be attributed to the introduction of new and separate categories such as "Libraries & other locations without access fees" and "CyberCafes and other locations with access fees" in March 2004, and "Public wireless access zones" in December 2004.

Table 6.2: Internet access by household income (%)

Income (\$ 000)	Home			Work			School			Overall		
	March 2004	December 2004	2005	March 2004	December 2004	2005	March 2004	December 2004	2005	March 2004	December 2004	2005
< 20	31	34	36	12	12	11	20	11	15	54	55	54
20-40	45	51	50	23	26	30	16	13	12	65	67	67
40-60	62	69	68	50	43	44	13	13	11	84	85	83
60-80	75	78	78	65	58	64	13	19	21	93	90	91
> 80	78	88	91	74	74	78	14	19	24	91	97	98
All	58	63	65	43	42	45	15	15	16	76	76	78

Source: CyberTRENDS, ComQUEST Research: March 2004, December 2004 and December 2005 editions

- As with computer ownership, lower income groups continue to be the least likely to have access to the Internet. Overall Internet access is generally stable, showing only slight variations.

Table 6.3: Internet access by education (%)

Education	Home			Work			School			Overall		
	March 2004	December 2004	2005	March 2004	December 2004	2005	March 2004	December 2004	2005	March 2004	December 2004	2005
< High school	28	27	26	13	9	11	8	6	5	41	37	37
High school	50	54	59	29	25	31	11	10	10	71	70	73
Some college/ University	66	74	75	45	49	48	23	22	22	85	88	89
Post secondary	68	78	80	61	61	65	14	19	17	88	92	93
Post graduate	83	84	76	70	72	73	21	16	27	93	95	91
All	58	63	65	43	41	45	15	15	16	76	76	78

Source: CyberTRENDS, ComQUEST Research: March 2004, December 2004 and December 2005 editions

- Except for the post graduate, access to the Internet increases with the level of education.

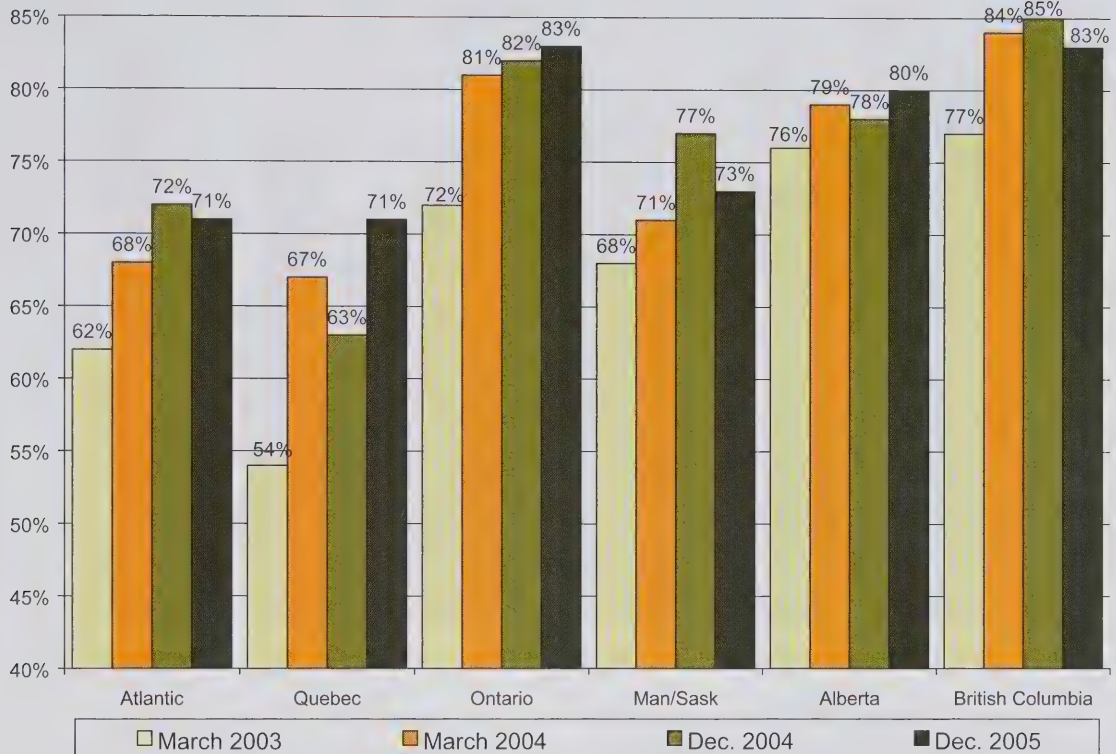
Table 6.4: Internet access by age (%)

Age	Home			Work			School			Overall		
	March 2004	December 2004	2005	March 2004	December 2004	2005	March 2004	December 2004	2005	March 2004	December 2004	2005
18-34	69	73	72	50	53	56	33	28	30	92	91	92
35-44	70	72	76	57	54	62	14	19	20	88	86	91
45-54	62	68	70	58	52	56	11	13	17	82	82	82
55-64	51	63	66	33	32	34	8	5	7	66	73	76
65+	32	27	35	6	3	5	0	1	1	40	34	41
All	58	63	65	43	42	45	15	15	16	76	76	78

Source: CyberTRENDS, ComQUEST Research: March 2004, December 2004 and December 2005 editions

- Younger households adopt the Internet more readily than other age groups.

Chart 6.2: Percentage of Canadians having access to the Internet by region

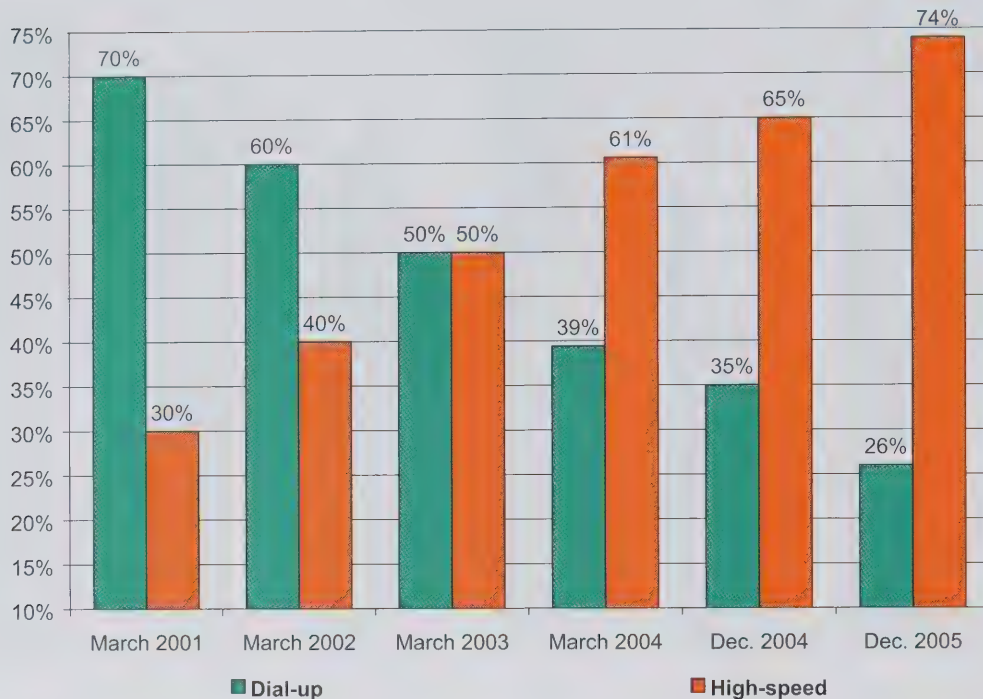


Source: CyberTRENDS, ComQUEST Research: March 2003 and 2004, and December 2004 and 2005 editions

- The number of Canadians in the province of Quebec having access to the Internet has increased significantly from 63% in December 2004 to 71% in December 2005.
- On the other hand, the number of Canadians having access to the Internet in the Manitoba and Saskatchewan region decreased from 77% to 73% over the same period.
- Access levels in the remaining regions varied only slightly.

b) Type of Internet access used at home

Chart 6.3: Dial-up and high-speed Internet access at home



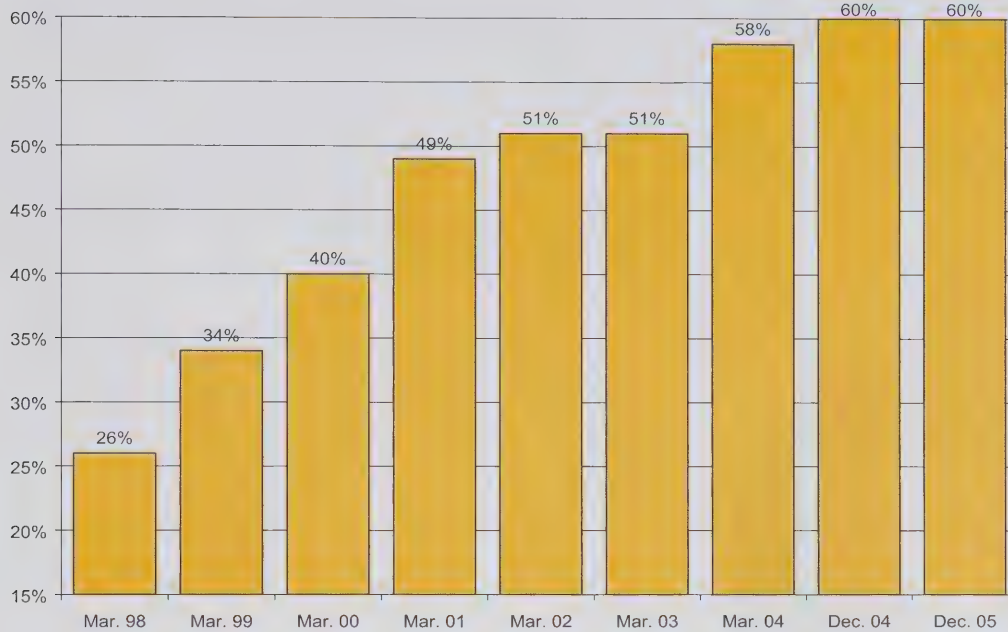
Source: CyberTRENDS, ComQUEST Research: December 2004 and 2005 editions, and March 2001 to 2004 editions

- The percentage of Canadians choosing high-speed rather than dial-up Internet access at home continues to increase.
- According to CyberTRENDS, gender, household income and marital status do not appear to be factors influencing the selection of broadband versus dial-up Internet access. Dial-up users are more likely to be infrequent or short-term users.
- The 9 percentage point increase in high-speed Internet access from December 2004 to 2005 is due, in part, to a refinement in the December 2005 survey questionnaire that now includes DSL resellers.

c) Frequency and duration of Internet use

- According to CyberTRENDS:
 - In December 2005, the average Canadian with Internet access connected for an average of 16 hours of Internet use per week.
 - On average, men spent 142 minutes more on the Internet per week than women.

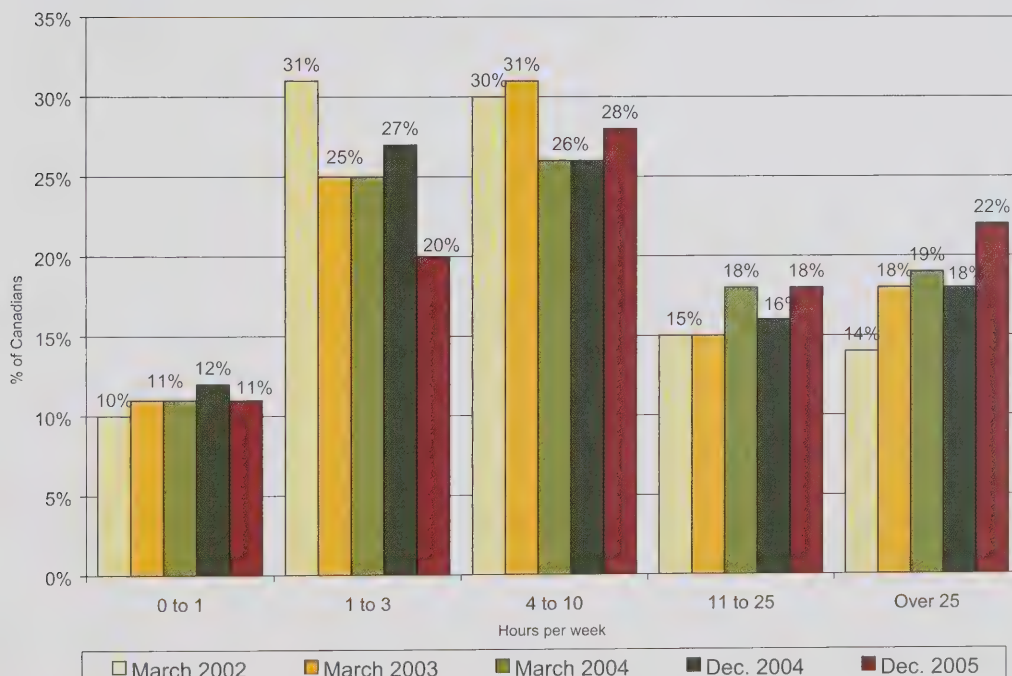
Chart 6.4: Percentage of Canadians using the Internet at least once in a given week



Source: CyberTRENDS, ComQUEST Research: March 1998 to 2004 and December 2004 to 2005 editions

- The number of Canadians who reported using the Internet, at least once a week, remained constant at 60% from December 2004 to December 2005.

Chart 6.5: Time spent by Canadians on the Internet in a given week

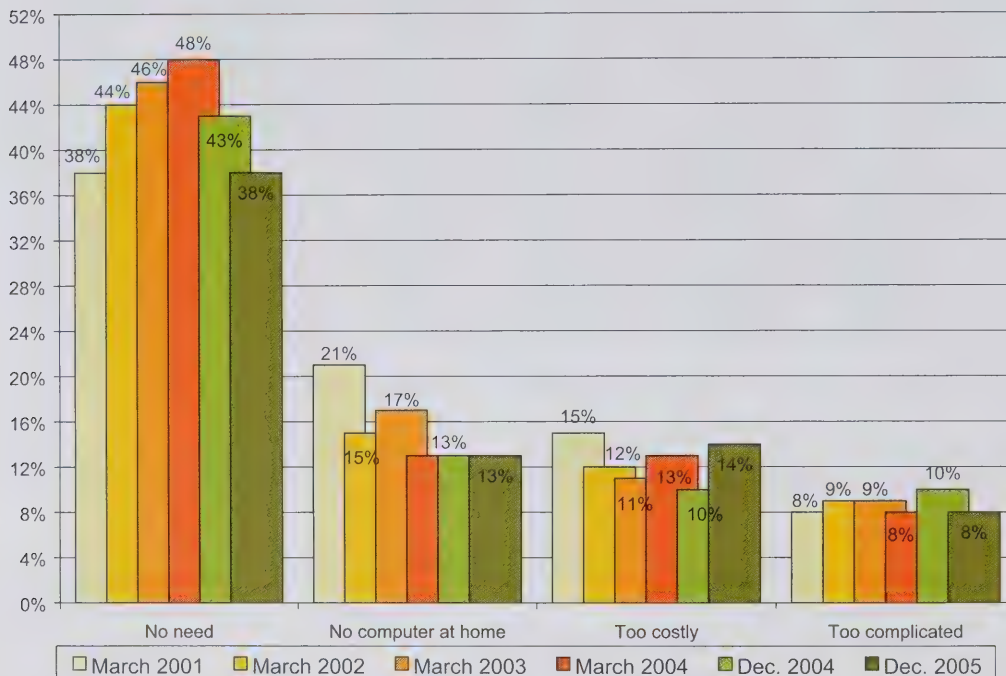


Source: CyberTRENDS, ComQUEST Research: December 2004 and 2005 editions, and March 2002 to 2004 editions

- The percentage of Canadians spending less than one hour on the Internet in a given week remains stable.
- There appears to be a trend towards heavier use of the Internet, as shown by the increasing percentage of Canadians spending 11 hours or more on the internet.

d) Profile of Canadians without Internet access at home

Chart 6.6: Major reasons for not having access to the Internet at home



Source: CyberTRENDS, ComQUEST Research: December 2004 and 2005 editions, and March 2001 to 2004 editions

- The number of Canadians who indicated cost as a reason for not using the Internet increased to 14% in December 2005.
- The number of Canadians indicating the absence of need or interest in having Internet access in the home continues to decline.

e) Internet activities

- According to CyberTRENDS, the average Canadian Internet user spends roughly 50% of their time visiting Canadian websites.

Table 6.5: On-line activities of Canadians

Activity	% of Canadian adults who connected to the Internet at least once a month											
	Most of the time						Some of the time					
	'01	March '02	'03	'04	December '04	'05	'01	March '02	'03	'04	December '04	'05
E-mail	67	69	71	71	70	70	22	21	17	18	21	20
Specific sites of interest	62	58	61	57	50	51	27	32	29	30	35	33
Search for specific information	58	52	55	54	48	47	31	39	37	38	41	41
Research information on services /products	-	25	29	30	27	25	-	51	47	47	49	50
Surf or browse	19	21	28	25	25	23	37	41	38	38	37	42
Use instant messaging	-	-	-	-	19	17	-	-	-	-	17	15
Download / Listen to music	13	13	16	9	10	9	22	19	24	17	23	22
Download files or software	12	12	15	9	8	6	30	34	31	28	31	30
Chat	5	5	8	5	5	5	12	9	11	12	10	8
On-line gaming	5	3	6	7	4	5	8	8	7	9	11	7
Listen to radio	4	3	4	4	5	6	12	11	12	14	19	16
Shop on-line	-	2	2	2	4	3	-	14	17	21	24	24
Watch videos	2	1	4	3	2	3	17	14	18	16	19	22
Download movies	-	-	-	-	1	1	-	-	-	-	4	2
Download TV programs	-	-	-	-	1	1	-	-	-	-	3	2

Source: CyberTRENDS, ComQUEST Research: March 2001 to 2004 and December 2004 to 2005 editions

- The percentage of Canadian adults who reported listening to music or the radio on the Internet decreased by four percentage points in 2005 compared to 2004.
- The percentage of Canadian adults indicating that they watched or downloaded videos, movies or television programming from the Internet increased by only one percentage point in 2005 compared to 2004.

Table 6.6: On-line activities of high-speed users vs. dial-up users

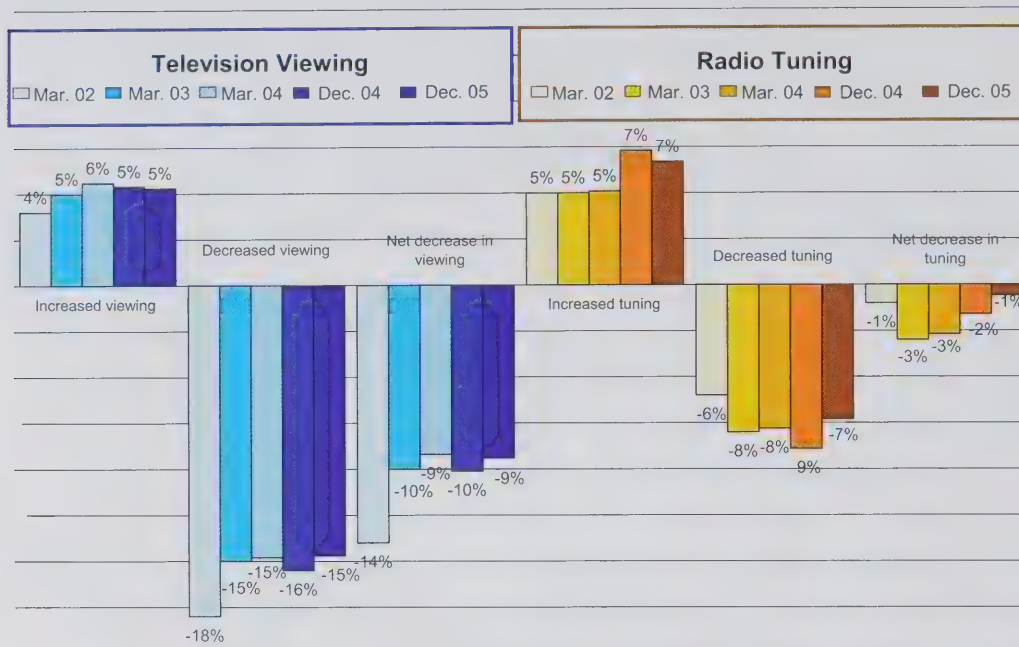
Activity	% of Canadian adults who connected to the Internet at least once a month most or some of the time							
	High-speed				Dial-up			
	March 2003	2004	2004	Dec. 2005	March 2003	2004	2004	Dec. 2005
Download / Listen to music	53	32	41	37	32	21	25	18
Downloading files or software	54	41	46	40	46	37	35	35
Chat	26	20	17	14	16	15	11	14
Watch video	29	27	27	29	17	11	13	13
Listen to radio	20	23	30	26	12	13	16	11
Shop on-line	25	28	32	30	16	21	26	27
Download movies	-	-	7	4	-	-	3	2
Download TV programs	-	-	5	5	-	-	2	1

Source: CyberTRENDS, ComQUEST Research: March 2003 to 2004 and December 2004 to 2005 editions

- High-speed Internet users take advantage of faster data transfer rates, spending more time than dial-up users on bandwidth-intensive activities.

C. Effect of Internet use and other new technologies on broadcast media

Chart 6.7: Percentage of Canadians reporting an effect of Internet use on their use of broadcast media



Source: CyberTRENDS, ComQUEST Research: March 2002 to 2004 and December 2004 to 2005 editions

- In some instances, the Internet has influenced Canadians to decrease or increase their use of broadcast media. Overall, there has been a net decrease in the use of television viewing. Radio appears to be minimally effected by Internet use.
- CyberTRENDS also reports that 40% of Canadian households with Internet access had a computer in the same room as the TV in December 2005. Of the households having a computer and TV in the same room, 57% watch TV while using the Internet either sometimes (25%) or often (30%).

Table 6.7: Listening to the radio via the Internet

Fall survey	Total hours tuned via the Internet (000)	Share of total tuning (%)
1997	8	0.0
1998	94	0.0
1999	279	0.1
2000	454	0.1
2001	634	0.1
2002	942	0.2
2003	778	0.1
2004	1,285	0.2
2005	1,728	0.3

Source: MicroBBM, Fall 1997 to Fall 2005, All Canada, Persons 12+

- Data from the BBM Fall surveys indicates that the amount of tuning to Canadian radio stations via the Internet, although still insignificant, continues to increase annually.

Table 6.8: Percentage of Canadians who reported using the following devices in December 2005

Devices		% of device users who are	
		Male	Female
Cell phones	59%	52	48
BlackBerry	3%	75	25
PDA	7%	66	34
MP3 Player	12%	60	34
iPod	4%	70	30
Webcam	8%	60	40

Percentage of cell phone, BlackBerry or PDA owners who used these devices to:			
Watch television	2%	72	28
Take pictures / record video	3%	75	25
Obtain news or weather	7%	72	28
Obtain sports scores	4%	97	3

Source: CyberTRENDS, ComQUEST Research: December 2005 edition

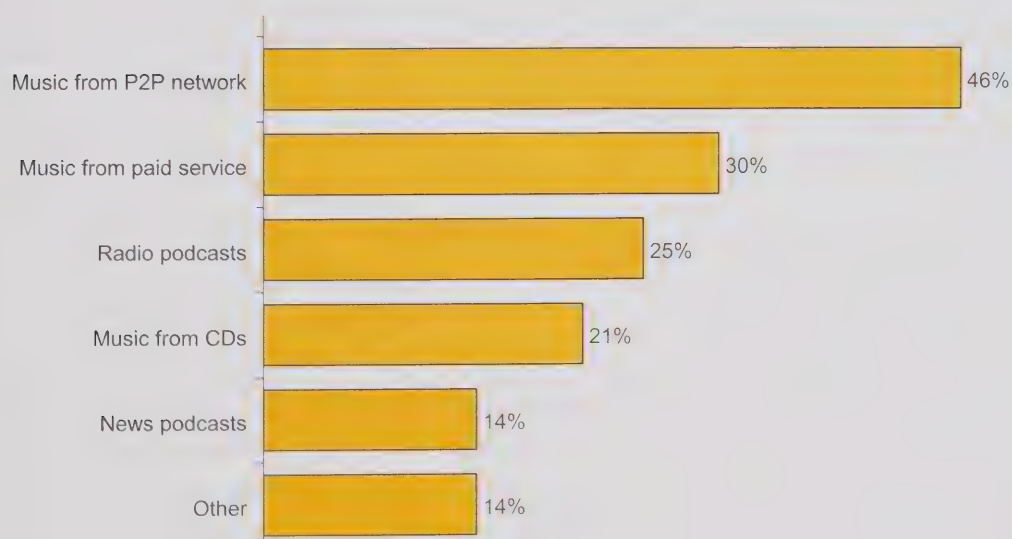
PDA is a pocket size device that combines computing, telephone/fax, Internet, and networking features used as a personal organizer.

iPod and MP3 players are also referred to as digital music players.

Webcam is a video camera, usually attached directly to a computer, which sends periodic images or continuous frames to a Web site.

- Men are the predominant users of BlackBerry, PDA, digital music players and webcams devices.

Chart 6.8: Major uses of iPod and MP3 players as reported by those with access to the Internet



Source: CyberTRENDS, ComQUEST Research: December 2005 edition

P2P (peer to peer) refers to file sharing network on the Internet where users can share any kind of files for free.

Podcasts refer to music, news or information programs posted on websites for users to download.

Table 6.9: iPod and MP3 players: percentage of ownership by demographics

	2003	2004	2005	2006 Projected (1)
Canada	11	16	19	30
Male	14	19	22	34
Female	8	14	16	26
12-14	15	25	42	68
15-19	19	30	53	71
20-29	11	24	28	44
30-49	13	19	15	27
50+	5	6	7	12

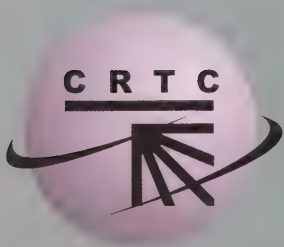
(1) Projection is based on percentage of survey respondents indicating that they intended to purchase a digital music player within the next twelve months.

Source: FASTFORWARD Digital Life – Home and Mobile Technologies 2005, Solutions Research Group, website: www.srgnet.com, All Canada, persons 12+

- Although ownership of digital music players is increasing among all age groups, the highest take-up rates are among teenagers.

Glossary

ASC	Advertising Standards Canada (website: www.adstandards.com)
BBM	BBM Canada (website: www.bbm.ca)
BDU	Broadcasting distribution undertaking
CAB	Canadian Association of Broadcasters (website: www.cab-acr.ca)
Cancon	Canadian content
CASST	Coalition Against Satellite Signal Theft (website: www.casst-ccvss.ca)
CBC	Canadian Broadcasting Corporation (Société Radio-Canada) (website: www.cbc.ca)
CBSC	Canadian Broadcast Standards Council (website: www.cbsc.ca)
CC	Closed captioning
CCTA	Canadian Cable Telecommunications Association (website: www.ccta.com)
CPE	Canadian programming expenditures
CRTC	Canadian Radio-television and Telecommunications Commission (website: www.crtc.gc.ca)
CTD	Canadian talent development
CTF	Canadian Television Fund (website: www.canadiantelevisionfund.ca)
CTSC	Cable Television Standards Council (website: www.ctsc.ca)
DSL	Digital subscriber line
DTH	Direct-to-home
DTV	Digital television
HDTV	High definition television
ISP	Internet service provider
MDS	Multipoint distribution systems
NTSC	National Television Standards Committee
P2P	Peer to peer
Pay	Pay television service
PBIT	Profit before interest and taxes
PDA	Personal digital assistant
PPV	Pay-per-view service
PVR	Personal video recorder
RANFA	Return on average net fixed assets
RDU	Radiocommunication distribution undertaking
SAP	Secondary audio programming
SRC	Société Radio-Canada (Canadian Broadcasting Corporation) (website: www.src.ca)
SRDU	Satellite relay distribution undertaking
STV	Subscription television systems
VOD	Video on demand



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Radio

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Introduction

This is the eighth edition of the CRTC's Broadcasting Policy Monitoring Report, which provides an on-going assessment of the impact of CRTC regulations, policies and decisions¹ on the achievement of the objectives of the *Broadcasting Act*. The 2007 version continues to measure the performance of the Canadian broadcasting system. As in the past, we hope that this report will help to foster a more open and better-informed public discussion of broadcasting policy in Canada. The Commission invites parties to use the report to enrich their participation in our regulatory policy and licensing proceedings.

The 2007 edition updates the performance indicators and continues the trends outlined in previous reports.

The data and information used as the basis of the CRTC's policy monitoring is drawn from many sources. These sources include (1) information filed by participants in the normal course of the Commission's hearings and public proceedings; (2) information obtained from Statistics Canada; (3) audience measures from BBM Canada (diary radio data and metered data for francophone audiences in Quebec) and BBM Nielsen Media Research (national metered data); (4) the Annual Financial Returns filed by licensees of the CRTC; (5) programming information filed as part of licensees' television program logs; (6) the Commission's ownership records and radio compliance monitoring results; (7) publicly available information, such as annual reports from publicly traded companies, CRTC decisions and public notices; and (8) research undertaken by the CRTC and CyberTRENDS, BBM Analytics.

The report is sub-divided into six sections: Overview, Radio, Television, Broadcasting Distribution, Social Issues and New Media.

Interested parties are welcome to provide comments for improvements or additions to future editions of the report and can do so by forwarding them to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2 or by using our On-Line Services located on our website at www.crtc.gc.ca.

The Broadcasting Policy Monitoring Report is also available electronically at www.crtc.gc.ca/eng/publications/reports.htm

¹ *New Regulatory Framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997; *Commercial Radio Policy* 1998, Public Notice CRTC 1998-41, 30 April 1998; *New Media*, Broadcasting Public Notice CRTC 1999-84, 17 May 1999, and *Telecom* Public Notice CRTC 99-14, 17 May 1999; *Building on Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999; *Ethnic Broadcasting Policy*, Public Notice CRTC 1999-117, 16 July 1999; *Exemption order for new media broadcasting undertaking*, Broadcasting Public Notice CRTC 1999-197, 17 December 1999; *Licensing Framework Policy for New Digital Pay and Specialty Services*, Public Notice CRTC 2000-6, 13 January 2000; *Campus Radio Policy*, Public Notice CRTC 2000-12, 28 January 2000; *Community Radio Policy*, Public Notice CRTC 2000-13, 28 January 2000; *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000;

Achieving a better balance: Report on French-language broadcasting services in a minority environment, Public Notice CRTC 2001-25, 12 February 2001;

A Policy to Increase the Availability to Cable Subscribers of Specialty Services in the Minority Official Language, Public Notice CRTC 2001-26, 12 February 2001;

Licence Renewals for the French-language National Television Network TVA and for the French-language Television Programming Undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001;

Licence Renewals for the Television Stations Controlled by CTV, Decision CRTC 2001-457, 2 August 2001;

Licence Renewals for the Television Stations Controlled by Global, Decision CRTC 2001-458, 2 August 2001;

The distribution of the proceedings of the House of Commons on CPAC, Public Notice CRTC 2001-115, 6 November 2001;

Exemption order respecting cable systems having fewer than 2,000 subscribers, Broadcasting Public Notice CRTC 2001-121, 7 December 2001;

Small cable systems – Digital migration policy, Broadcasting Public Notice CRTC 2001-130, 21 December 2001;

A licensing policy to oversee the transition from analog to digital, over the air television broadcasting, Broadcasting Public Notice CRTC 2002-31, 12 June 2002;

Exemption order respecting radiocommunication distribution undertakings (RDUs), Broadcasting Public Notice CRTC 2002-45, 12 August 2002;

New licensing framework for specialty audio programming services, Broadcasting Public Notice CRTC 2002-53, 12 September 2002;

Policy framework for community-based media, Broadcasting Public Notice CRTC 2002-61, 10 October 2002;

Internet retransmissions, Report to the Governor General in Council pursuant to Order in Council P.C. 2002-1043, Broadcasting Public Notice CRTC 2003-2, 17 January 2003;

Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003;

The regulatory framework for the distribution of digital television signals, Broadcasting Public Notice CRTC 2003-61, 11 November 2003;

Incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2004-93, 29 November 2004;

Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the list of eligible satellite services for distribution on a digital basis, Broadcasting Public Notice CRTC 2004-96, 16 December 2004;

Incentives for original French-language Canadian television drama, Broadcasting Public Notice CRTC 2005-8, 27 January 2005;

Reinforcing Our Cultural Sovereignty – Setting Priorities for the Canadian Broadcast System: Second Response to the Report of the Standing, Department of Canadian Heritage, 4 April 2005;

Viewing and expenditure incentives for English-language Canadian television drama, Broadcasting Public Notice CRTC 2006-11, 27 January 2006;

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I. Overview

A. The CRTC

- The Canadian Radio-television and Telecommunications Commission (CRTC) is an independent public authority in charge of regulating and supervising Canadian broadcasting and telecommunications. It serves the public interest and is empowered and governed by the *Broadcasting Act, 1991* (the Act) and the *Telecommunications Act*. The CRTC also reports to Parliament through the Minister of Canadian Heritage. The Governor in Council may issue to the Commission directions of general application on matters with respect to the objectives of the broadcasting or regulatory policy.
- One of the CRTC's mandates is to ensure that programming in the Canadian broadcasting system reflects Canadian creativity and talent, Canada's linguistic duality, multicultural diversity, the special place of Aboriginal people within our society and our social values.
- The Commission strives to strike a balance between its cultural, social and economic objectives, with the wants and needs of Canadian citizens, industry and various interest groups.
- The CRTC also seeks to ensure that its policy directions for the Canadian broadcasting industry are keeping pace with emerging technologies.
- The Commission fulfils its broadcasting regulatory and supervisory responsibilities by means of a number of inter-related activities, which include:
 - issuing, renewing and amending licences for broadcasting undertakings;
 - making determinations on mergers, acquisitions and changes of ownership in the broadcasting industry;
 - collaborating with the industry to resolve competitive disputes;
 - developing and implementing regulatory policies with a view to meeting the objectives of the Act;
 - monitoring, assessing and reviewing, where appropriate, regulatory frameworks to meet its policy objectives; and
 - monitoring the programming and financial obligations of broadcasting undertakings to ensure compliance with regulations and conditions of licence.
- In all its activities, the Commission is guided by four basic working principles: transparency; fairness; predictability; timeliness. The Commission recognizes that time

has a value in the business world and each regulation bears a cost. Consequently, it endeavours to make its decisions promptly and regulate only where necessary and in the least intrusive manner possible.

- A summary of the Commission's activities relating to the Canadian broadcasting industry during the 2006-2007 fiscal year is provided in *CRTC Accomplishments 2006-2007*.¹
- The CRTC also presents its three year work plan for the 2007 to 2010 period in *3 Year Work Plan 2007-2010*.² The Commission finalized this plan subsequent to consultations held with industry stakeholders.

B. Diversity of programming in the Canadian broadcasting system

- Section 3(1)(i) of the Act states, in part, that the programming provided by the Canadian broadcasting system should:
 - (i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,
 - (ii) be drawn from local, regional, national and international sources,
 - (iii) include educational programs and community programs,
- To implement this policy objective, the Commission endeavours to ensure that Canadians have access to a diversity of programming drawn from a variety of sources.
- The Canadian broadcasting system is comprised of private and public services that provide specialty and general interest Canadian and non-Canadian programming in English and French as well as Aboriginal, multicultural and third-languages. It also makes available a significant number of foreign services.
- Tables 2.1 and 3.1 located in the Radio and Television sections of this report provide a listing of the types of radio, audio and television regulated services authorized to broadcast in Canada.

C. Streamlining activities

1. Streamlining broadcasting processes

- In *Streamlined processes for certain broadcasting applications*, Broadcasting Circular CRTC 2006-1, 27 March 2006 (Circular 2006-1), the Commission announced an expedited process whereby it would inform applicants of the status of their licence

¹ A copy of this report can be obtained on the CRTC website: <http://www.crtc.gc.ca/eng/publications/reports.htm>

² A copy of this report can be obtained on the CRTC website noted above

amendment applications within 15 business days of receiving an application. The Commission estimated that, in the absence of any significant or unresolved issues or concerns surrounding the applications in question, the processing time could be reduced by approximately half for licence amendment applications processed administratively or by a written public proceeding.

- In 2006-07,³ the Commission has indeed reduced the average time it takes to deal with amendment applications by 50 percent compared to the 2005-06 fiscal year.
- The Commission continued reviewing broadcasting processes in 2006-07 in the following areas: processing of requests to add foreign third-language services to the Lists of Eligible Satellite Services; exempting certain network operations from licensing requirements; reviewing broadcasting application forms; and reviewing the policy concerning the issuance of radio calls for applications. The Commission has also set out measures to streamline certain reporting requirements for Class 1 cable distribution undertakings having 20,000 or more subscribers and for television licensees, and has issued an exemption order for certain third-language television undertakings from licensing requirements.

2. 2007/08 Streamlining initiatives

- The Commission has undertaken an exhaustive review of the processing of applications using the public hearing route and significant measures have been identified to streamline and expedite this process. These streamlining initiatives should be announced in fiscal year 2007-2008.

3. New service standards for processing certain types of broadcasting applications

- In *Introduction of service standards for certain broadcasting applications*, Broadcasting Circular CRTC 2006-2, 5 April 2006, the Commission announced new service standards for applications for licence amendments and licence renewals currently processed by public notice, as well as applications processed using an administrative approach that does not entail a public process.
- The quarterly and annual statistics for the period 1 April 2006 to 31 March 2007⁴ show that the Commission has either met or surpassed these standards.

D. Broadcasting dispute resolution

- The Broadcasting Directorate's dispute resolution team was created in 2000 to more effectively process and resolve disputes in an increasingly competitive broadcasting industry. The process and procedures used for resolving competitive and access

³ Quarterly statistics for the period 1 April 2006 to 31 March 2007 are available on the CRTC website: http://www.crtc.gc.ca/eng/publications/reports.htm#quart_report

⁴ Available on the CRTC website : http://www.crtc.gc.ca/eng/publications/reports.htm#quart_report

disputes are outlined in *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000.

- Disputes can generally be classified as follows: (1) disputes between broadcasting distributors and programming services concerning the terms of distribution, including wholesale rates; (2) disputes between competing broadcasting distributors over access to buildings and to the end-user; and (3) disputes between programmers regarding programming rights and markets served.
- Wherever possible, the Commission employs alternative dispute resolution (ADR) techniques, including fact-finding meetings, mediation and staff opinions, to attempt to break deadlocks and assist parties to resolve their disputes. When these techniques are insufficient, the Commission may, where appropriate, render determinations on disputes by way of "final offer" or by way of an expedited written process.
- "Final offer" arbitration processes are typically conducted on a confidential basis, both to encourage candour on the part of the parties and to take into account that the matters in dispute often involve commercially sensitive information, the disclosure of which could cause harm that would outweigh any public interest benefit.
- In certain disputes that come before the Commission as allegations of undue preference or disadvantage, the complainant seeks a ruling by the Commission that the preference or disadvantage has material and serious consequences for the complainant and/or the Canadian broadcasting system, and that are contrary to the public interest. Cases involving such public issues are usually immediately placed on a public file.
- As a further means to hasten the resolution of broadcasting disputes, the Commission has adopted procedures for the conduct of expedited public hearings. In *Expedited procedure for resolving issues arising under the Broadcasting Act*, Broadcasting Circular CRTC 2005-463, 18 April 2005, the Commission announced that, in order to expedite decisions on certain issues arising under the Broadcasting Act, panels of Commissioners will be struck to conduct public hearings to deal with such issues on an accelerated basis. These hearings complement the Commission's existing dispute resolution guidelines and tools and are similar to its procedures for resolving disputes arising under the *Telecommunications Act*.⁵
- The Commission has also increased the number of informal ADR interventions. Informal interventions are intended to assist in early detection and removal of obstacles to resolution between the disputing parties. Typically, these interventions take place prior to the filing of formal complaints or requests for dispute resolution and prior to the provision of any related documentation. Most of these interventions can be effectively conducted by telephone or informal meetings with minimal actual Commission intervention.

⁵ *Expedited procedure for resolving competitive issues*, Telecom Circular CRTC 2004-2, 10 February 2004

1. Number and type of disputes

Table 1.1: Number of dispute files received in 2006/07⁽¹⁾

Dispute issues	Formal dispute files Type of disputes			Informal interventions
	Undue preference or disadvantage ⁽²⁾	Dispute resolution ⁽³⁾	Total	Total
Building access	1	-	1	-
Distribution / programming	-	4	4	14
Total	1	4	5	14

(1) 1 April 2006 to 31 March 2007

(2) Section 9 of the Broadcasting Distribution Regulations

(3) Sections 12 to 15 of the Broadcasting Distribution Regulations

- Between 1 April 2006 and 31 March 2007, the Commission dealt with four outstanding dispute files from the previous period and opened five new files. There were four dispute files outstanding at the end of the period – one of these files has been suspended at the request of the parties, and the remaining three were received in the second half of the review period.
- During the same period, the Commission also resolved seven of the 14 informal dispute interventions undertaken. Of the remaining seven informal dispute files, two have been suspended at the request of the parties and five were active as of 31 March 2007.

2. Time taken to resolve disputes

- The following table compares the average time taken to resolve disputes over each of the last three years. In arriving at these averages, it should be noted that some of the disputes were suspended, at the request of the parties, for various periods of time in order to permit the parties to negotiate. Time while suspended is not included in calculating time to closure.

Table 1.2: Fiscal year comparisons of the average number of days to resolve disputes

Disputes	2004/05	2005/06	2006/07
Undue preference	142	135	89
Sections 12 to 15	152	86	53
Section 9(1)(h)	16	-	-

Notes: Excludes informal interventions. Files commenced in one year but concluded in another are included in the calculation for the year of closure.

3. Discretionary services and BDU regulation review processes

- In preparation for the BDU regulations review process scheduled for 2007/08, the Commission conducted preliminary industry consultations in November and December 2006. Dispute resolution was among the issues identified as important for the Commission's regulatory framework going forward. It is anticipated that the Commission's role in broadcasting dispute resolution will be an important part of the regulatory review process.

E. Diversity of voices proceeding

- In order to implement the objectives of the Act, the Commission has established regulations and policies designed to ensure that the broadcasting system offers a diversity of voices and that programming reflecting the concerns of all Canadians has reasonable access to the system.
- In *Diversity of Voices Proceeding*, Broadcasting Notice of Public Hearing CRTC 2007-5, 13 April 2007 (Public Notice 2007-5), the Commission announced that in light of the current wave of consolidation in the Canadian broadcasting industry, it would be holding a public hearing in September 2007 to review its approach to ownership consolidation and other issues related to the diversity of voices in Canada.
- The objective of this hearing is to conduct a comprehensive review of the CRTC's policies with respect to diversity of voices. The Commission wishes to ensure that the system provides Canadians with the greatest possible diversity of voices, including editorial voices while taking into consideration the increasing integration of all elements in the system. The topics under review will include:
 - existing regulatory framework
 - common ownership of broadcasting undertakings
 - concentration of ownership
 - cross-media ownership or horizontal integration
 - vertical integration
 - the benefits policy
 - licence trafficking
 - ownership of new media undertakings
 - ensuring broadcast voices that represent and reflect Canada's diversity
 - relationship with the Competition bureau.

II. Radio

A. Radio and audio services available in Canada

1. Number and type of radio and audio services authorized to broadcast in Canada

- The following table provides a summary of the various types of radio and audio services licensed to broadcast in the Canada as of 31 December 2006.

Table 2.1: Canadian radio and audio services authorized⁽¹⁾

	English language ⁽²⁾	French language ⁽³⁾	Third language	Total
Over-the-air radio services⁽⁴⁾				
National public broadcaster				
CBC Radio One / Première chaîne	36	20	-	56
CBC Radio 2 / Espace Musique	14	12	-	26
CBC Radio network licences	2	2	-	4
CBC digital: Radio One / Première chaîne	5	4	-	9
CBC digital: Radio Two / Espace musique	5	4	-	9
Private commercial				
AM stations	157	15	12	184
FM stations ⁽⁵⁾	367	89	9	465
AM and FM network licences ⁽⁶⁾	26	9	-	35
Digital radio (stand-alone and transitional)	42	9	7	58
Religious (music and spoken word) ⁽⁷⁾	42	26	1	69
Community				
Type A stations ⁽⁸⁾	11	34	-	45
Type B stations	23	26	1	50
Developmental	10	-	-	10
Campus				
Community based	36	5	-	41
Instructional	9	-	-	9
Developmental	1	-	-	1
Aboriginal – Type B stations ⁽⁸⁾	36	10	-	46
Other (tourist/traffic; Environment Canada; special, special event, other network licences, etc.)	97	21	3	121
Total number of over-the-air Canadian radio services	919	286	33	1,238
Multi-channel subscription radio services				
Satellite subscription radio service	2	-	-	2
Terrestrial subscription radio service ⁽⁹⁾	1	-	-	1
Audio services delivered by BDUs				
Specialty audio (commercial / Non-profit, regional / national)	5	-	4	9
Pay audio (English and French national services)	2	-	-	2
Total number of Canadian radio and audio services	929	286	37	1,252

(1) Number of services approved, but not necessarily broadcasting. Unless a request for an extension of time is approved by the Commission, most undertakings must be operational within 24 months of the decision date.

- (2) Includes bilingual (English and French) and English-native services.
 - (3) Includes French-native services.
 - (4) Excludes radicomunication distribution undertakings (RDU), rebroadcasters and exempted radio services.
 - (5) Approval of a new FM radio station resulting from an AM to FM band conversion will result in station double counting until the AM licence is surrendered by the licensee - roughly three months after AM and FM simulcast transition period.
 - (6) Most of the commercial network licences noted here fall under *Exemption order respecting certain network operations*, Broadcasting Public Notice CRTC 2006-143, 10 November 2006 and will not need to be renewed after their current licence term expire.
 - (7) Includes commercial and not-for-profit religious radio stations.
 - (8) Excludes network licences.
 - (9) Not in operation.
- Sources: CRTC APP1205 and APP1200 reports - run 4 January 2007

2. Licensing of over-the-air radio stations

- The following table sets out, by language, licence category, type and process the number of radio applications approved by the Commission during the past four years.

Table 2.2: Number of new over-the-air radio stations approved from 1 January 2003 to 31 December 2006

		2003	2004	2005	2006	Total
Number of new over-the-air radio stations approved		68	49	44	72	233
Number of stations approved by:						
Language	English-language	51	43	38	54	186
	French-language	12	5	4	16	37
	Ethnic	5	1	2	2	10
Licence category	Commercial*	36	26	33	48	143
	Community	11	10	8	13	42
	Campus	4	2	-	3	9
	Native	7	2	-	2	11
	Other*	10	9	3	6	28
Type	Stand-alone digital	1	-	-	-	1
	AM Frequency	3	-	2	4	9
	FM Frequency	64	49	42	68	223
	AM to FM Conversions (included in FM)	9	4	9	12	34
Process	Competitive	17	15	9	18	59
	Non-Competitive	51	34	35	54	174

Notes: Excludes radicomunication distribution undertakings (RDU), rebroadcasters, pay audio, specialty audio services and multi-channel subscription radio services.

"Other" includes not-for-profit, CBC/SRC, tourist, environment Canada, etc. radio stations

* 2003 and 2004 figures have been restated.

Sources: CRTC Decisions issued from 1 January 2003 to 31 December 2006

B. Tuning trends

- The following tables set out the percentage of hours tuned to radio and audio services in an average week during the BBM Fall surveys from 1999 to 2006.

Table 2.3: Average weekly hours tuned per capita¹ by age group

BBM Fall survey	All persons 12+	Teens 12-17	Adults					
			18-24	25-34	35-49	50-54	55-64	65+
1999	20.5	11.3	17.3	21.3	21.6	21.6	23.2	22.7
2000	20.3	10.5	18.1	20.6	21.8	21.9	22.8	22.4
2001	20.1	10.1	17.3	20.5	21.6	21.6	22.7	22.3
2002	20.2	9.4	16.7	20.1	21.7	22.3	23.1	22.8
2003	19.5	8.5	16.3	19.3	21.3	21.8	21.9	22.3
2004	19.5	8.5	15.7	19.3	21.5	21.6	22.1	22.3
2005	19.1	8.6	15.2	18.1	21.0	21.5	21.9	21.6
2006	18.6	7.6	14.1	18.3	20.6	21.0	21.1	21.3
Growth / Decline* between								
2005 to 2006	-0.5	-1.0	-1.1	0.2	-0.4	-0.5	-0.8	-0.3
1999 to 2006	-1.9	-3.7	-3.2	-3.0	-1.0	-0.6	-2.1	-1.4

* In average hours

Source: BBM Radio Fall Surveys, MicroBBM – All persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.

- The overall per capita weekly radio listening levels decreased by 1/2 hour from 2005 to 2006. With the exception of adults aged 25 to 34, listening levels in all demographics decreased over the same time period. This decrease was most notable in the teen demographics and for adults aged from 18 to 24 and 55 to 64, where weekly listening levels decreased by approximately one hour.
- Since 1999, the overall per capita weekly radio listening levels decreasing by almost two hours. The most notable decreases have been in the teen demographics and for adults aged from 18 to 34, where weekly listening levels have decreased three to four hours.

Table 2.4: Radio tuning share in an average week and average weekly hours tuned by listener²

BBM Fall Survey	Percentage (%) of hours tuned								Average weekly hours per listener	Total average national hours (000,000)
	English language stations			French language stations			Other	Total		
	AM	FM	Total	AM	FM	Total				
1999	24.5	49.2	73.7	3.8	16.9	20.7	5.6	100	21.8	544.6
2000	23.8	50.3	74.1	3.0	17.4	20.4	5.5	100	21.8	531.8
2001	23.7	50.1	73.8	2.9	17.7	20.6	5.6	100	21.7	532.9
2002	22.6	51.1	73.7	2.7	18.4	21.1	5.2	100	21.7	540.5
2003	22.2	52.1	74.3	2.4	18.4	20.8	4.9	100	21.0	529.6
2004	21.2	52.7	73.9	2.1	18.8	20.9	5.2	100	21.0	538.1
2005	21.0	52.7	73.7	1.9	18.9	20.8	5.6	100	20.7	531.6
2006	19.3	55.0	74.2	1.6	17.9	19.6	6.2	100	20.4	525.5

Increase/decrease in average weekly hours from:	2005 to 2006	-0.3
	1999 to 2006	-1.4

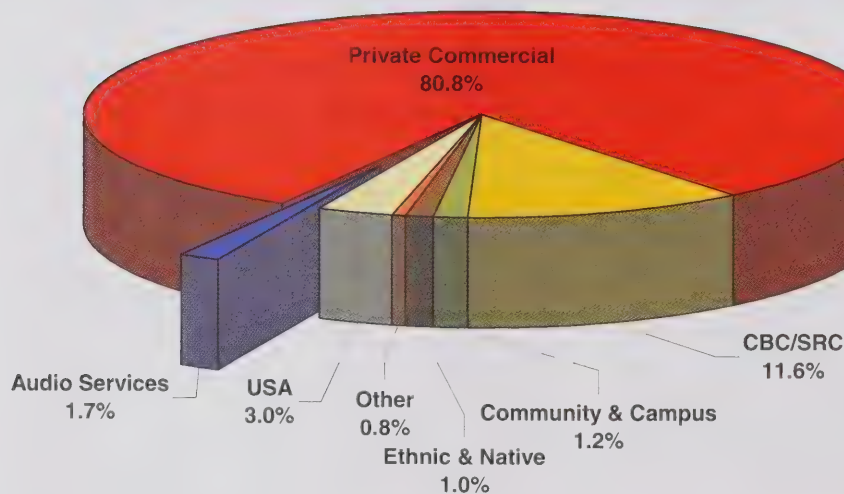
Note: Minor variances are due to rounding. "Other" is principally over-the-air tuning to U.S. border stations. "Other" also includes tuning to Internet radio that is not attributed to Canadian over-the-air radio stations, multi-channel subscription (satellite radio) services, pay and specialty audio services, over-the-air and video services available on cable and unknown. Source: BBM Fall 1999 to Fall 2006 for all persons 12+, Monday to Sunday, 5 a.m. to 1 a.m., BBM Canada, 2006-07 Radio Databook.

¹ Average weekly hours per capita is determined by dividing the total number of hours tuned by the population.

² Average weekly hours per listener is determined by dividing the total number of hours tuned by the number of listeners (reach).

- AM radio continues to decline in total average hours tuned, while FM recuperates these hours. In 2006, approximately 73% of the tuning to Canadian radio stations was through the FM band.
- In Fall 2006, the average hours tuned per listener was 20.4 hours per week, 20 minutes less than the previous year.
- According to BBM:³
 - 91.2% of Canadians aged 12 and over listened to the radio for at least 15 minutes per week in Fall 2006, as compared to 94% in 1998.
 - In Fall 2006, 47% of the total hours tuned by Canadians was from home, 28% from a vehicle, 23% from work and 2% was from other sources.
 - 40% of Canadians surveyed reported listening to the radio for more than 16.5 hours in an average week, accounting for approximately 80% of the total hours tuned.
- The following pie chart shows the percentage of hours tuned in an average week to over-the-air (OTA) radio and audio services.

Chart 2.1: Radio tuning share in an average week, 5 a.m. to 1 a.m., BBM Fall 2006



"Audio Services" includes tuning to: multi-channel subscription (satellite radio) services; pay & specialty audio services; OTA radio stations & video services broadcast on cable; the internet.
Minor variances are due to rounding.

³ Unless otherwise indicated, BBM Fall 2006, All persons 12+, Monday to Sunday, 5:00am to 1:00 am.

Table 2.5: Listening to radio stations via the internet, pay & specialty programming services delivered by broadcasting undertakings and multi-channel subscription radio services

BBM Fall survey	Share of total tuning (%)			
	Internet	Pay & specialty programming services delivered by broadcasting undertakings	Multi-channel subscriptions radio services (satellite radio)	Combined tuning share
2005	0.3	0.4	Not applicable	0.7
2006	0.3	0.4	1.0	1.7

Minor variances are due to rounding.

Source: MicroBBM, Fall 2006, All Canada, Persons 12+ Monday to Sunday, 5 a.m. to 1 a.m.

- The Fall 2006 survey indicates that the tuning to Canadian radio stations via the Internet, pay audio and satellite radio is still small.
- After less than one year in operation, satellite radio tuning share has surpassed the combined tuning share of the Internet, pay and specialty programming services.
- A primary target for satellite radio is the automobile market. CSR and Sirius Canada have both concluded agreements with various Canadian automotive partners to have satellite radios installed in their vehicles. Satellite radio will also be expanding its market through carriage on cable, direct-to-home (DTH) and mobile wireless carriers placing satellite radio services in direct competition with pay audio for its target audience in these formats.
- According to the CBC,⁴ approximately 20% of BDU subscribers listened to pay audio services in 2005. CBC states that while pay audio has enjoyed reasonable success, its lack of portability and convenience of wireless audio services combined with direct competition from satellite radio services distributed by BDUs may threaten the future of pay audio services. The CBC predicts that the pay audio service providers may need to partner with wireless operators in the future in order to retain their subscribers in a "mobile" world.
- The following table shows that tuning to the radio via the Internet and satellite radio is highest among adults aged from 25 to 49. Tuning to pay audio is highest among adults aged from 35 to 39 and 55 to 64.

⁴ Page 26 from the comments filed with the CRTC in response to Broadcasting Public Notice CRTC 2006-72, *Call for comments on a request by the Governor in Council pursuant to Section 15 of the Broadcasting Act to prepare a report examining the future environment facing the Canadian Broadcasting System.*

Table 2.6: Distribution of tuning to radio stations via the internet, pay & specialty programming services delivered by broadcasting undertakings and multi-channel subscription radio services by age group

BBM Fall 2006 survey	Share of total tuning (%)	Distribution of tuning by age group (%)						
	All persons 12+	Teens 12-17	Adults					
			18-24	25-34	35-49	50-54	55-64	65+
Internet	0.3	1.6	13.2	31.1	37.4	7.5	6.7	2.5
Pay & specialty programming services delivered by broadcasting undertakings	0.4	2.0	9.3	10.0	25.1	11.7	26.7	15.2
Multi-channel subscriptions radio services (satellite radio)	1.0	2.8	7.7	21.1	46.4	10.6	7.7	3.7

Minor variances are due to rounding.

Source: MicroBBM, Fall 2006, All Canada, Persons 12+, Monday to Sunday, 5 a.m. to 1 a.m.

1. Tuning to the top private commercial radio ownership groups

- The following tables set out the tuning achieved by the largest private commercial radio operators in 2004, 2005 and 2006.

a) All Canada

Table 2.7: Tuning to the largest private commercial radio operators in Canada⁽¹⁾

Corporation	Listening hours (000) BBM Fall			Share of national tuning		
	2004	2005	2006	2004	2005	2006
Corus Entertainment Inc.	85,391	91,725	87,258	16%	17%	17%
Standard Broadcasting Corporation Limited	64,526	65,643	61,653	12%	12%	12%
Rogers Communications Inc.	44,732	48,243	46,772	8%	9%	9%
Astral Media Radio inc.	48,189	38,139	37,681	9%	7%	7%
CHUM Limited	36,019	36,116	34,004	7%	7%	6%
Newcap Inc.	20,039	21,224	21,724	4%	4%	4%
Total largest private commercial radio operators	298,896	301,090	289,091	56%	57%	55%
Total Canadian private commercial radio ⁽²⁾	437,181	442,123	424,515	81%	83%	81%
Total all radio ⁽³⁾	538,202	531,607	525,481	100%	100%	100%

Minor variances are due to rounding.

(1) Refer to "Notes to tables 2.7 to 2.12" following Table 2.12.

(2) Listening hours includes tuning to private commercial.

(3) Listening hours includes tuning to public and private Canadian and U.S. stations.

Sources: BBM Fall 2004 to 2006 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC APP and financial databases

- The tuning share by the largest radio groups has remained about the same since 2002.

b) English-language stations

Table 2.8: Tuning to the largest English-language private commercial radio operators in Canada⁽¹⁾

Corporation	Listening hours (000) BBM Fall			Share of tuning to English-language radio		
	2004	2005	2006	2004	2005	2006
Corus Entertainment Inc.	70,167	67,880	64,498	18%	17%	17%
Standard Broadcasting Corporation Limited	64,526	65,643	61,653	16%	17%	16%
Rogers Communications Inc.	44,732	48,243	46,772	11%	12%	12%
CHUM Limited	36,019	36,116	34,004	9%	9%	9%
Newcap Inc.	20,039	21,224	21,724	5%	5%	6%
Total	235,483	239,106	228,650	59%	61%	59%
Total Canadian English-language radio ⁽²⁾	397,409	391,468	390,148	100%	100%	100%

Minor variances are due to rounding.

(1) Refer to "Notes to tables 2.7 to 2.12" following Table 2.12.

(2) Listening hours include tuning to public and private Canadian English-language stations.

Sources: BBM Fall 2004 to 2006 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC APP and financial databases

c) French-language stations

Table 2.9: Tuning to the largest French-language private commercial radio operators in Canada⁽¹⁾

Corporation	Listening hours (000) BBM Fall			Share of tuning to French-language radio		
	2004	2005	2006	2004	2005	2006
Astral Media Radio inc.	45,317	35,212	34,514	40%	32%	34%
Corus Entertainment Inc.	15,224	23,846	22,760	14%	22%	22%
Cogeco Inc.	9,345	10,881	10,500	8%	10%	10%
Total	69,886	69,938	67,775	62%	63%	66%
Total Canadian French-language radio (2)	112,508	110,559	102,817	100%	100%	100%

Minor variances are due to rounding.

(1) Refer to "Notes to tables 2.7 to 2.12" following Table 2.12.

(2) Listening hours include tuning to public and private Canadian French-language stations.

Sources: BBM Fall 2004 to 2006 surveys, 5 a.m. to 1 a.m., all persons 12+; and CRTC APP and financial databases

2. Popularity of formats

- Charts 2.2 and 2.3 show the percentage of tuning to Canadian English- and French-language radio stations by format. These charts also indicate the number of Canadian stations that were broadcasting in these formats. The information used is partially based on BBM Fall 2006 data and excludes tuning to Internet, ethnic, bilingual and U.S. stations.

Chart 2.2: English-language station formats – BBM Fall 2006⁵

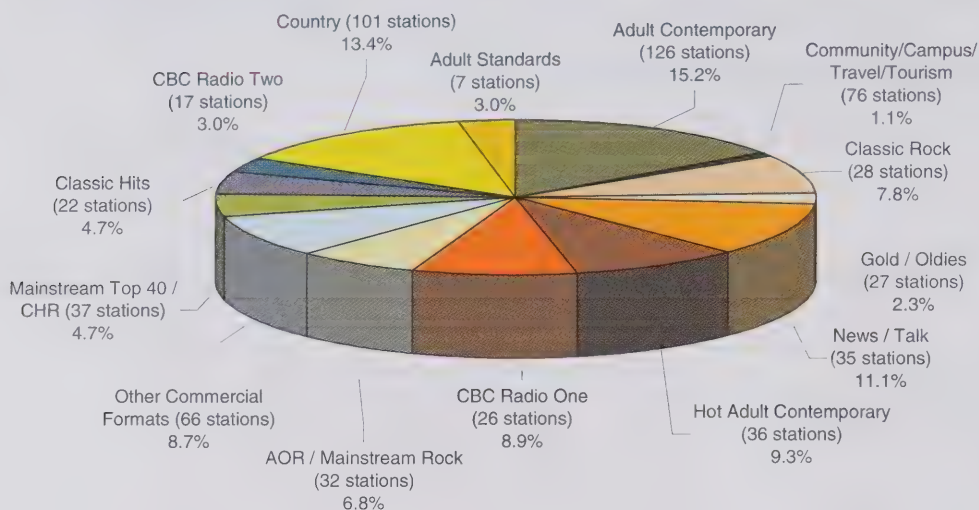
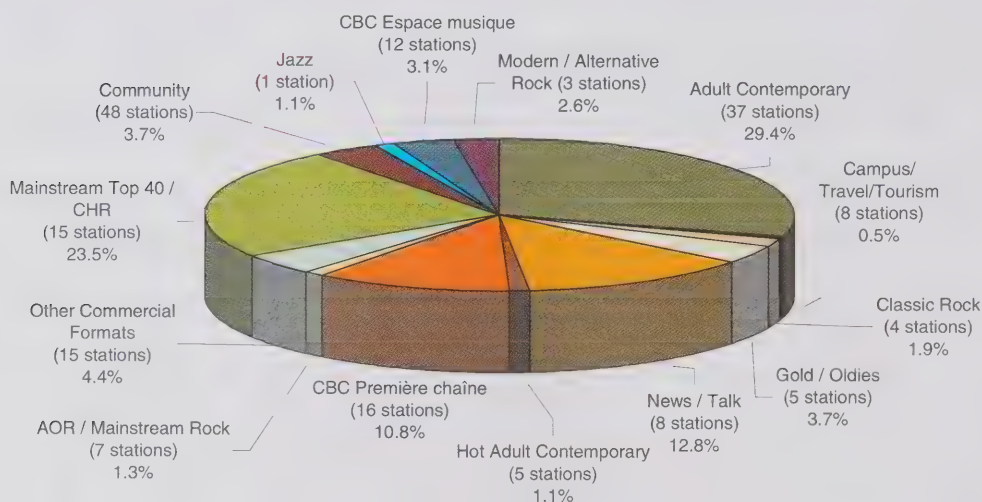


Chart 2.3: French-language station formats – BBM Fall 2006⁶



C. Financial performance of private commercial radio stations⁷

- One of the Commission's overall objectives of the 2006 Commercial Radio Policy is to develop policies that assist in the creation of conditions for a strong, well-financed commercial radio sector that is capable of contributing to the fulfillment of the objectives set out in the Act.

⁵ BBM Fall 2006, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian English-language stations.

⁶ BBM Fall 2006, 5 a.m. to 1 a.m., all persons 12+, Monday to Sunday - Canadian French-language stations.

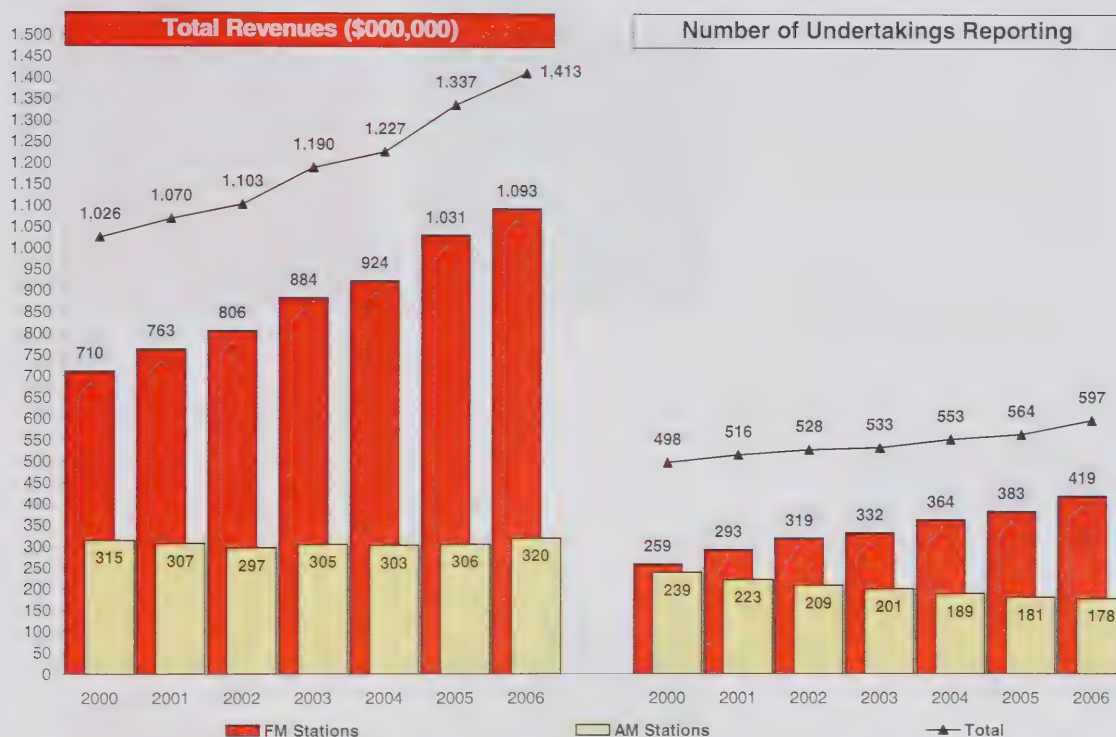
⁷ Pay and specialty audio programming services as well as multi-channel subscription radio services are not included in these financial results.

- This section provides a brief overview of the financial performance of the Canadian commercial radio industry.⁸ The following charts show the revenues, profits before interest and taxes (PBIT) and PBIT margins achieved by private commercial radio stations in Canada.

1. Revenues and profits before interest and taxes (PBIT) – 2000 to 2006

a) All Canada

Chart 2.4: Revenues – Private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results.

Minor variances are due to rounding.

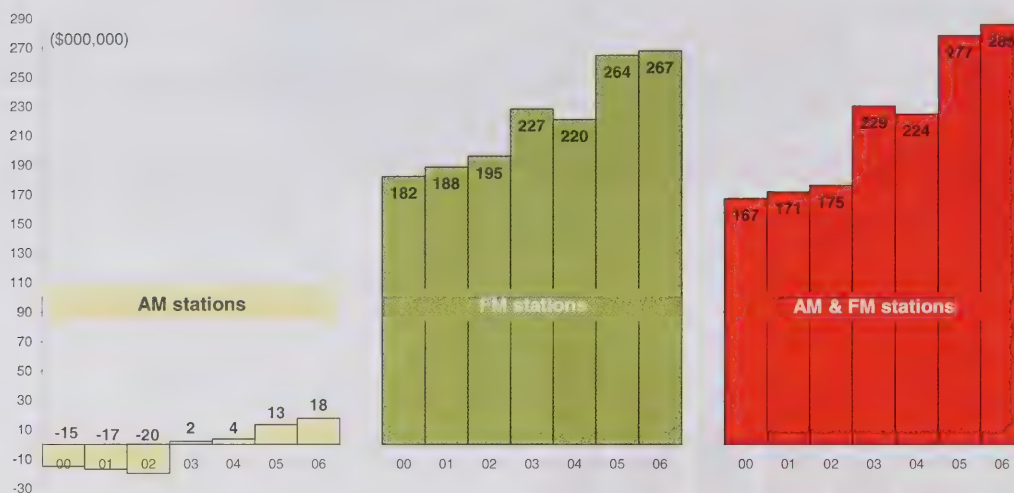
Source: CRTC financial database

- Total revenues reported by private commercial radio stations increased 5.7% or \$75.9 million from 2005 to 2006. There were 33 additional radio stations reporting financial results in 2006 compared to 2005.
- Since 2000, combined AM and FM revenues have increase by an average of 5.5% per year. During this same period, the revenues reported by FM radio stations increased by an average of 7.4% per year while AM radio stations increased by an average of 0.3% per year.

⁸ Additional data relating to financial performance of the private commercial radio broadcasting industry is available on the CRTC website for industry. <http://www.crtc.gc.ca/eng/stats.htm>

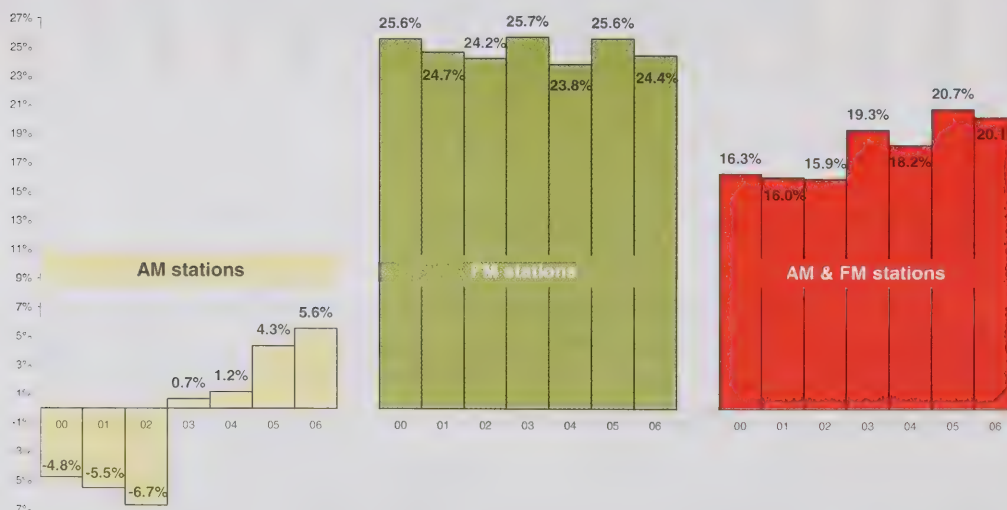
- From 2000 to 2006, the number of radio stations reporting financial results has increased by 20% or 99 stations. The number of FM radio stations reporting financial results has increased by 62% or by 160 stations, while the number of AM stations has decreased by 26%, or by 61 stations. Approximately 38% of the new FM radio stations reporting financial results involved AM stations converting to FM frequencies.

Chart 2.5: PBIT – Private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results. Minor variances are due to rounding.
Source: CRTC financial database

Chart 2.6: PBIT Margin – Private commercial radio stations



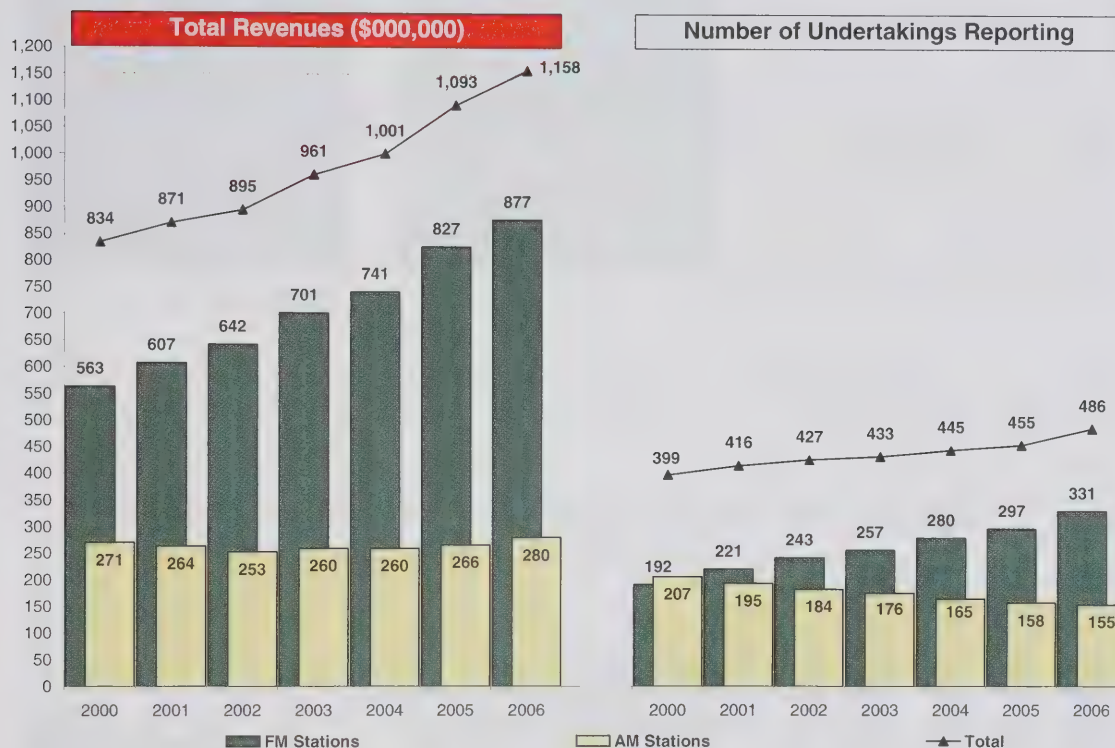
Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results. Minor variances are due to rounding.
Source: CRTC financial database

- PBIT increased by \$7.5 million or 2.7% from 2005 to 2006. PBIT margins for the last four years remain in the 20% range.

- FM radio stations continue to achieve PBIT margins in the 24% range.
- While still low, the PBIT margins reported by AM radio stations have increased annually since 2003. PBIT increased \$4.5 million, or 33.7%, from 2005 to 2006.

b) English-language stations

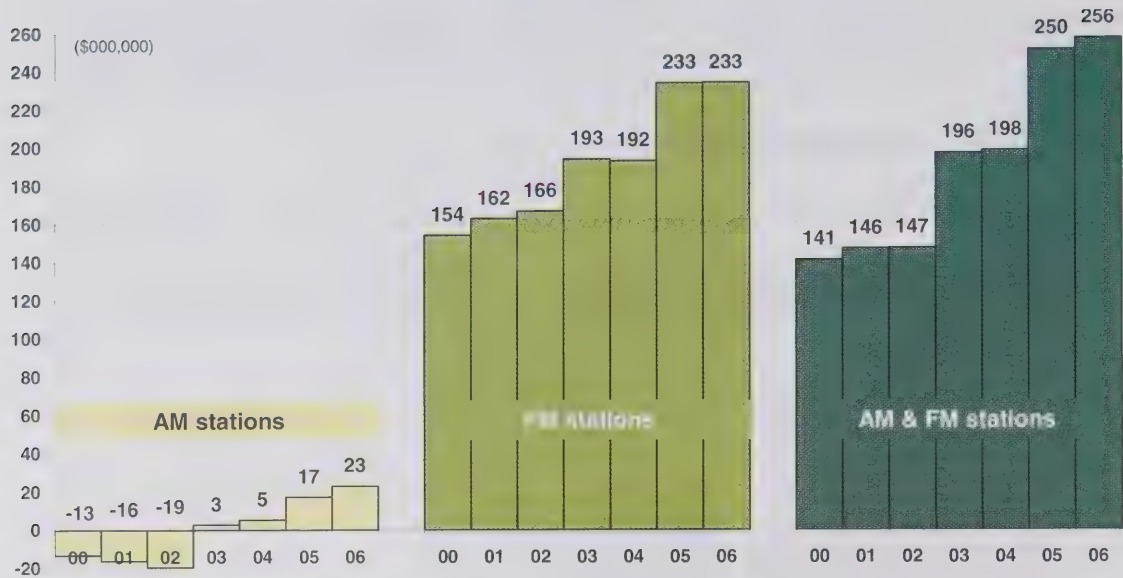
Chart 2.7: Revenues – English-language private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results. Minor variances are due to rounding.
Source: CRTC financial database

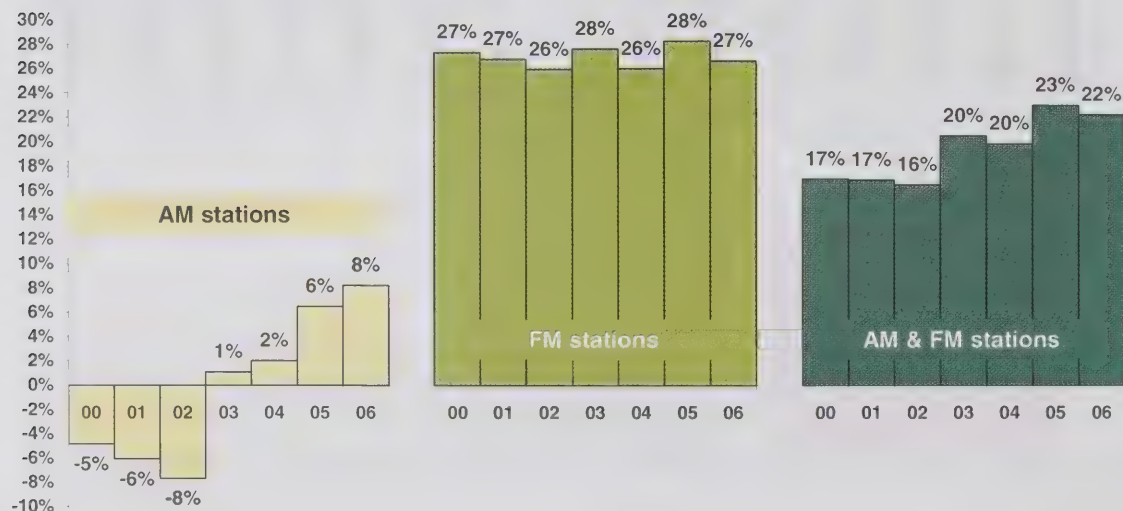
- English-language FM radio revenues increased by 6.1% from 2005 to 2006. Since 2000, FM revenues have increased by an average of 7.7% per year.
- English-language AM radio revenues increased by 5.3% from 2005 to 2006.
- Combined English-language AM and FM radio revenues increased by 5.9% from 2005 to 2006 achieving an average annual increase of 5.6% since 2000.
- The number of English-language radio stations continues to increase annually. Roughly 23% of the new English-language FM stations reporting in 2006 were by licensees who had converted their AM frequencies to FM frequencies.

Chart 2.8: PBIT – English-language private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results.
 Minor variances are due to rounding.
 Source: CRTC financial database

Chart 2.9: PBIT Margins – English-language private commercial radio stations



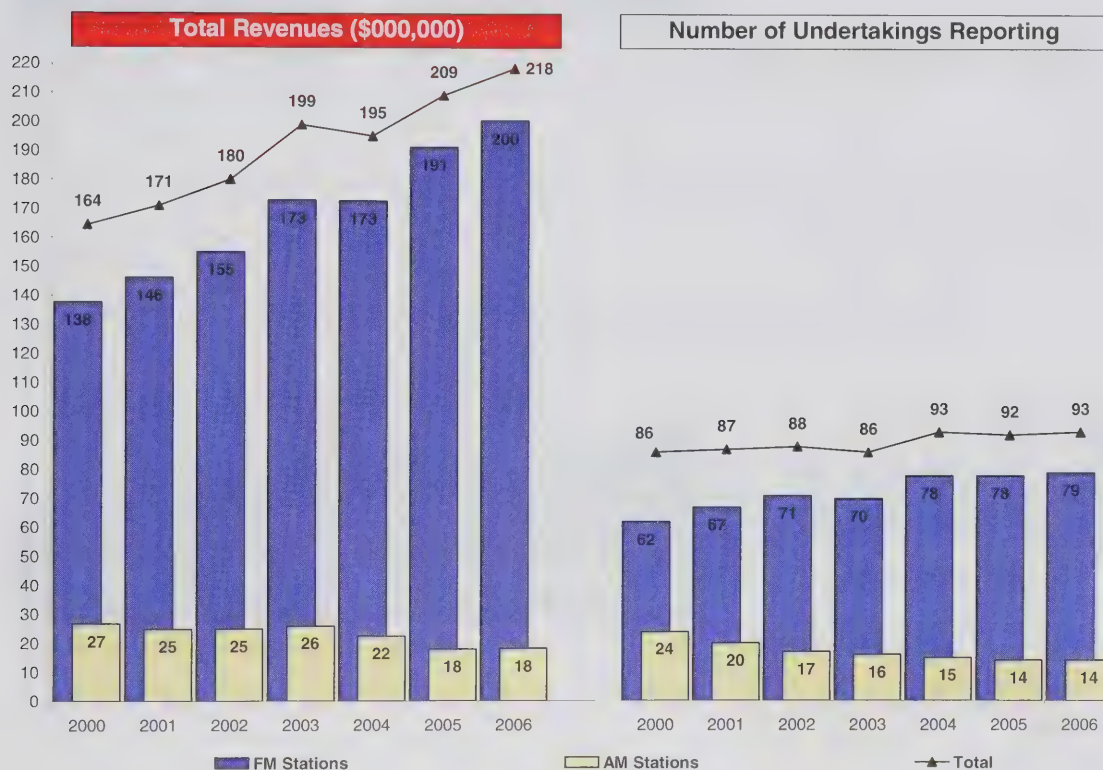
Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results.
 Minor variances are due to rounding.
 Source: CRTC financial database

- English-language radio stations report increased PBIT of \$5.8 million, or 2.3%, from 2005 to 2006. 2006 PBIT margins held at 2005 levels. Since 2000, the PBIT for English radio stations has increased by an average of 10.5% per year.

- PBIT results for English-language FM radio stations matches 2005 levels. Since 2000, the PBIT for French-language radio stations has increased by an average of 7.2% per year.
- PBIT for English-language AM radio stations continues to improve, increasing by \$5.8 million (33.4%) from 2005 to 2006.

c) French-language stations

Chart 2.10: Revenues – French-language private commercial radio stations



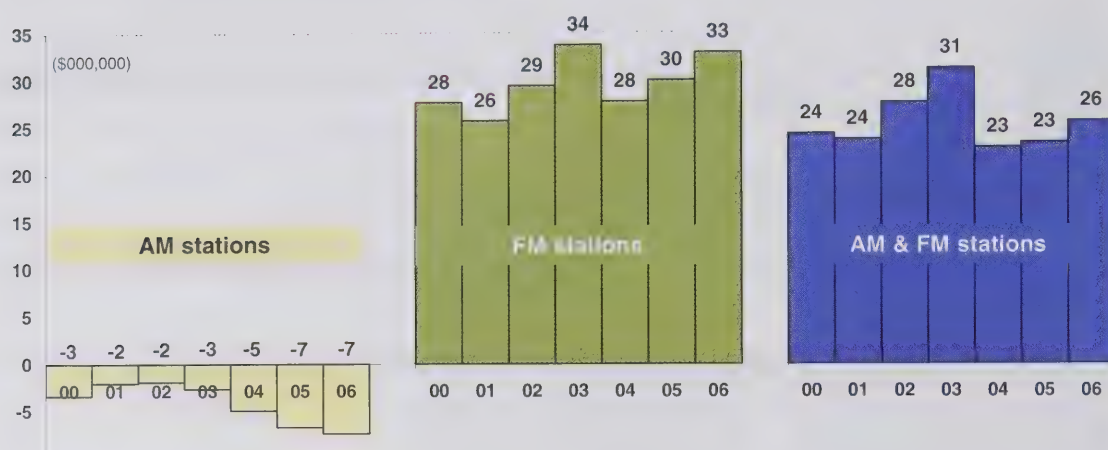
Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results.

Minor variances are due to rounding.

Source: CRTC financial database

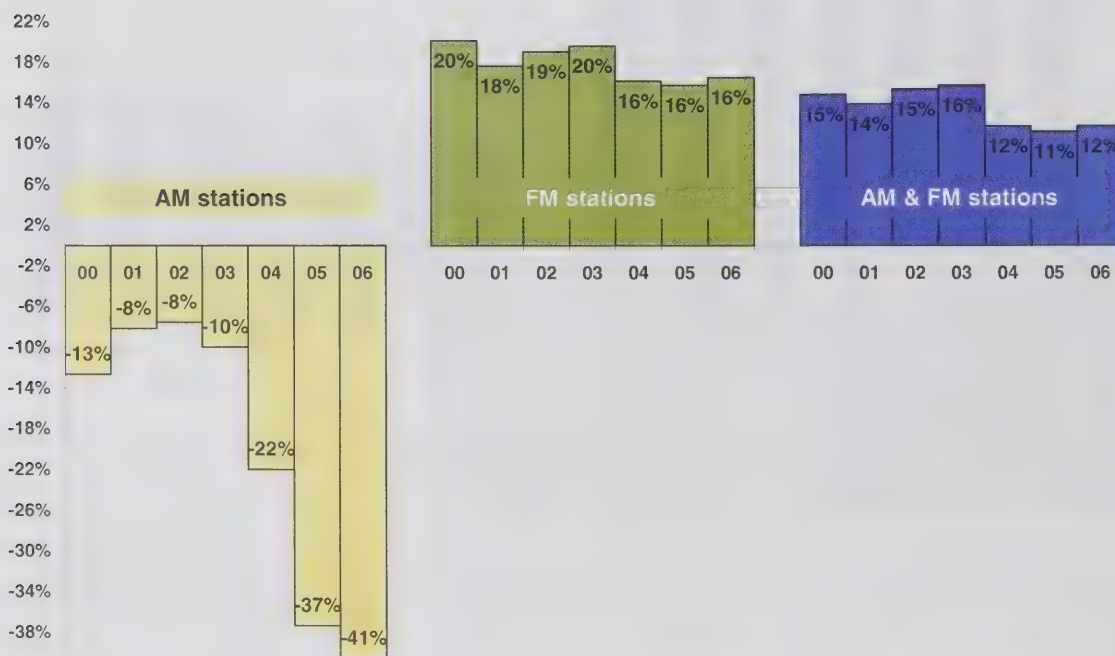
- Revenues for French-language FM radio increased by 4.8% from 2005 to 2006. Since 2000, FM revenues have increased by an average of 6.4% per year.
- Revenues for French-language AM radio increased by 1.4% from 2005 to 2006. AM revenues have decreased by an average of 6.2% per year, since 2000.
- Overall revenues for French-language radio increased by 4.5% from 2005 to 2006. French-language radio has experienced an average annual increase of 4.9%, since 2000.

Chart 2.11: PBIT – French-language private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results. Minor variances are due to rounding.
Source: CRTC financial database

Chart 2.12: PBIT Margins – French-language private commercial radio stations



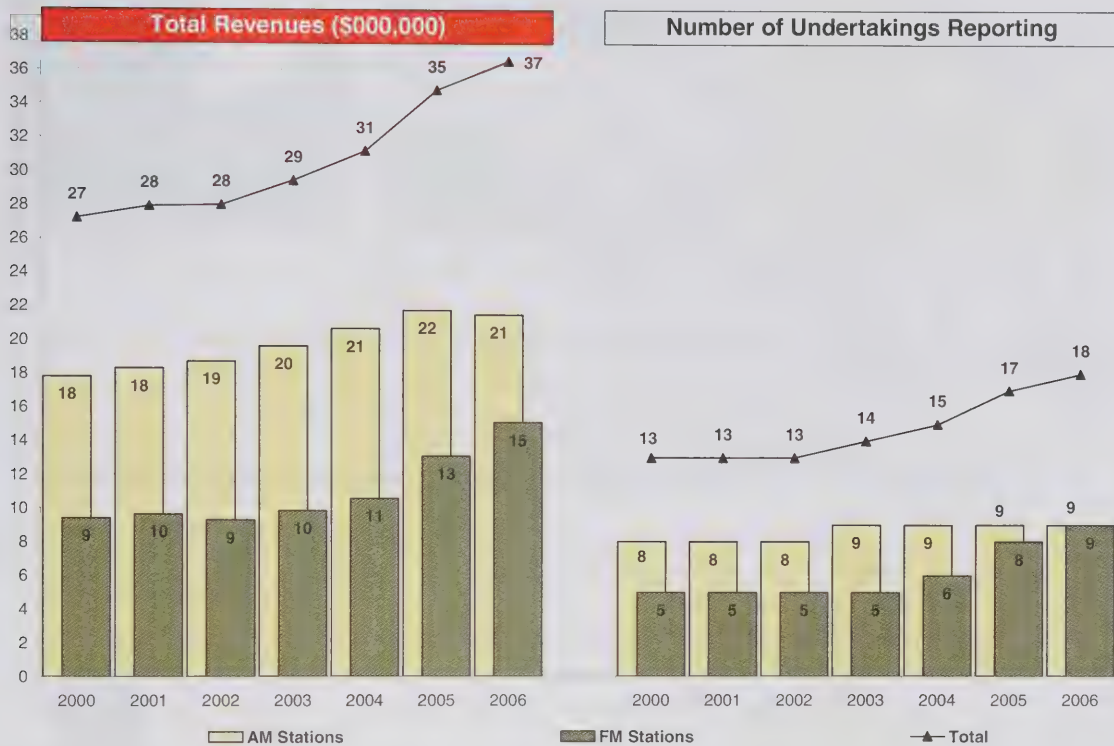
Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results. Minor variances are due to rounding.
Source: CRTC financial database

- French-language radio stations report a 9.8% increase in PBIT from 2005 to 2006. The 2006 PBIT margin is holding at 2004 and 2005 levels. Since 2000, the PBIT for French-language radio has increased by an average of 0.9% per year.

- From 2000 to 2006, the PBIT of French-language FM radio stations has increased by an average of 3% per year while French-language AM radio stations have reported average annual losses of 13.8% per year.

d) Ethnic stations

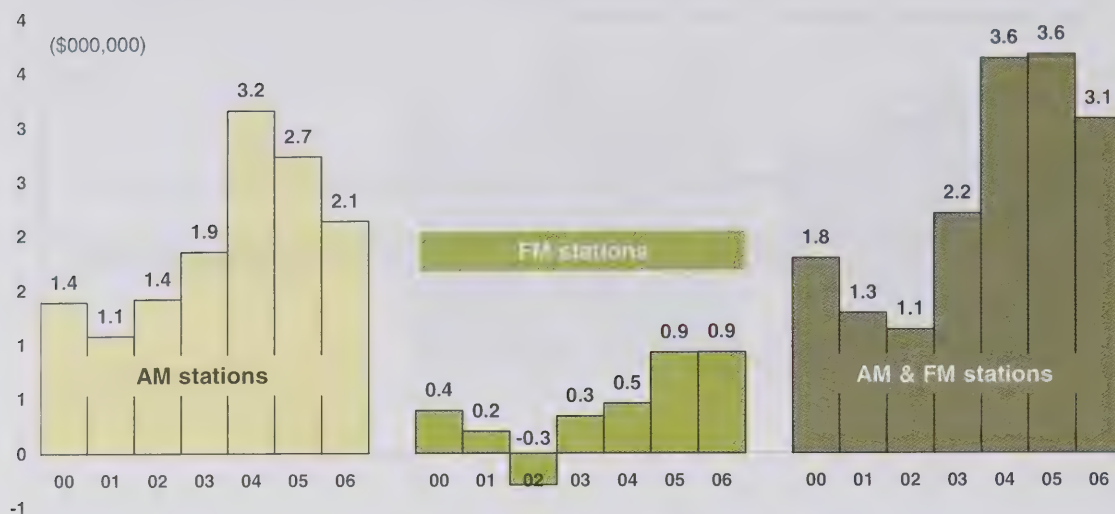
Chart 2.13: Revenues – Ethnic private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results. Minor variances are due to rounding.
Source: CRTC financial database

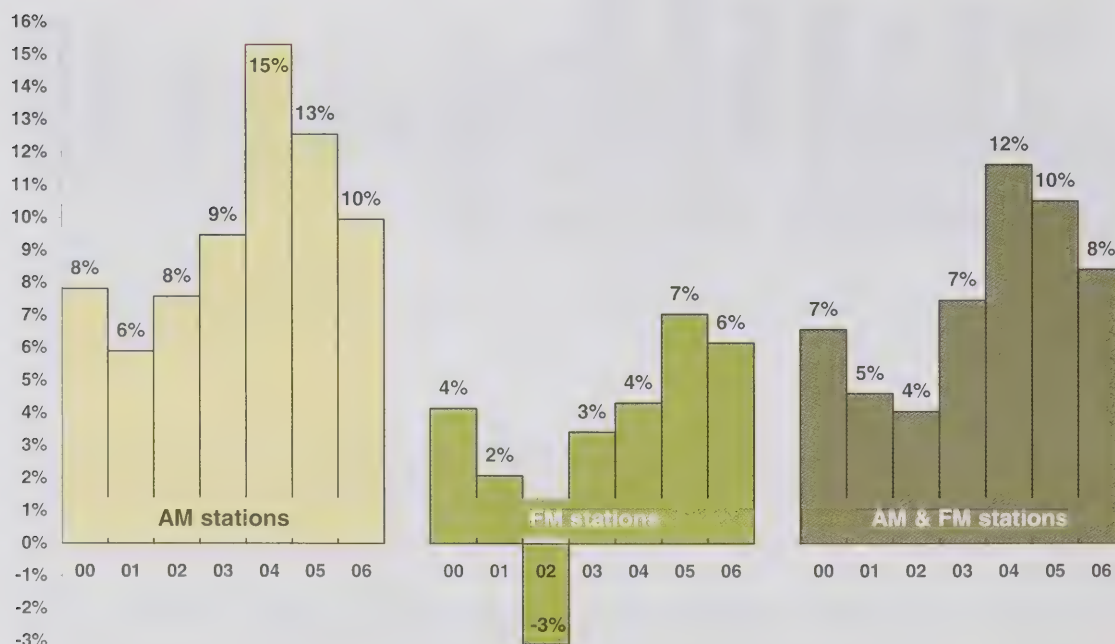
- Ethnic radio stations derive approximately 94% of their advertising revenues from local sources, compared to 76% for English-language and 63% for French-language stations.
- Total revenues for ethnic radio increased 4.9% from 2005 to 2006. A significant portion of this increase is due to a new FM radio station (CKYE-FM Vancouver) reporting for the first time in 2006. Since 2000, total revenues achieved by ethnic radio stations have increased by an average of 5% per year.

Chart 2.14: PBIT – Ethnic private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results.
 Minor variances are due to rounding.
 Source: CRTC financial database

Chart 2.15: PBIT Margins – Ethnic private commercial radio stations



Note: Includes network results; 2000 to 2005 figures have been updated to reflect current August 31st aggregate results.
 Minor variances are due to rounding.
 Source: CRTC financial database

- Since 2000, the PBIT for Ethnic AM and FM radio stations has increased by an average of 7.4% and 15.5% per year respectively. On a combined basis, PBIT has increased by an average of 9.4% per year.

2. Revenues of the top private commercial radio ownership groups

- The following tables set out the revenues and national revenue share achieved by the largest private commercial radio operators in 2004, 2005 and 2006.

a) All Canada

Table 2.10: Radio revenues of the largest radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of national revenue		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Corus Entertainment Inc.	50	50	50	216,119	237,380	248,905	18%	18%	18%
Rogers Communications Inc.	42	43	47	177,178	192,667	203,759	14%	14%	14%
Standard Broadcasting Corporation Limited	51	51	51	162,884	180,533	190,710	13%	14%	13%
CHUM Limited	30	33	33	121,144	132,771	138,305	10%	10%	10%
Astral Media Radio inc.	34	31	31	119,928	112,583	114,969	10%	8%	8%
Newcap Inc.	41	46	54	58,012	73,355	80,400	5%	5%	6%
Total	248	254	266	855,265	929,289	977,047	70%	70%	69%
TOTAL Canada (private radio revenues) ⁽²⁾	553	564	597	1,226,998	1,336,901	1,412,767	100%	100%	100%

(1) Refer to "Notes to tables 2.7 to 2.12" following Table 2.12.

(2) Includes private commercial networks and commercial ethnic radio stations.

Minor variances are due to rounding. Source: CRTC financial database

- Although the number of programming undertakings along with the total revenues reported by the largest radio operators continues to increase annually, their share of total national revenues has held at approximately 70% since 2002.

b) English-language stations

Table 2.11: Radio revenues of the largest English-language radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of English radio revenue		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Rogers Communications Inc.	42	43	47	177,178	192,667	203,759	18%	18%	18%
Corus Entertainment Inc.	40	38	38	184,281	192,055	201,664	18%	18%	17%
Standard Broadcasting Corporation Limited	51	51	51	162,884	180,533	190,710	16%	17%	16%
CHUM Limited	30	33	33	121,144	132,771	138,305	12%	12%	12%
Newcap Inc.	41	46	54	58,012	73,355	80,400	6%	7%	7%
Total	204	211	223	703,499	771,381	814,837	70%	71%	70%
Total private commercial English-language radio ⁽²⁾	445	455	486	1,000,751	1,092,957	1,157,747	100%	100%	100%

(1) Refer to "Notes to tables 2.7 to 2.12" following Table 2.12.

(2) Includes private commercial network revenues.

Minor variances are due to rounding. Source: CRTC financial database

c) French-language stations

Table 2.12: Radio revenues of the largest French-language radio operators⁽¹⁾

Corporation	Number of radio undertakings reporting			Radio revenue (\$ 000)			Share of French radio revenue		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Astral Media Radio inc.	26	23	23	110,797	102,572	105,404	57%	49%	48%
Corus Entertainment Inc.	10	12	12	31,838	45,324	47,241	16%	22%	22%
Cogeco Inc.	5	5	5	15,250	19,637	26,466	8%	9%	12%
Total	41	40	40	157,885	167,533	179,111	81%	80%	82%
Total private commercial French-language radio⁽²⁾	93	92	93	195,053	209,127	218,482	100%	100%	100%

(1) Refer to "Notes to tables 2.7 to 2.12" below.

(2) Includes network radio revenues.

Minor variances are due to rounding.

Source: CRTC financial database

Notes to tables 2.7 to 2.12:

- The ownership structure reflects transactions authorised by the Commission during the broadcast year, not the closing date of the transaction.
- An undertaking's entire annual revenue is attributed to the corporation that was deemed to be its owner as of 31 August.
- In some instances, the 2004 and 2005 results have been restated to reflect current data on file.
- Corus' 2005 results reflect the sale of CIZZ-FM and CKGY-FM Red Deer to Newcap.
- Newcap's 2005 results reflect the new CKWY-FM Wainwright station as well as the following five stations that were acquired through the transfer of ownership or control: CIZZ-FM and CKGY-FM Red Deer from Corus, CJUK-FM Thunder Bay station from Big Pond Communications 2000 Inc. and CKSA-FM Lloydminster from Sask-Alta Broadcasters Limited. The 2006 results also reflect four new stations (CILV-FM Ottawa-Gatineau, CFRK-FM Fredericton, CJEG-FM Bonnyville and CIXF-FM Brooks) and four stations acquired through the transfer of ownership or control (CFXW-FM Whitecourt, CKJS and CKFE-FM Winnipeg and CFCW-FM Camrose).
- Astral's and Corus' results for 2005 reflect the transaction that was approved pursuant to *Exchange of radio assets in Quebec between Astral Media Radio inc. and Corus Entertainment Inc.*, Broadcasting Decision CRTC 2005-15, 21 January 2005, in which Astral acquired five stations from Corus and Corus acquired eight stations from Astral.
- CHUM's 2005 results include the new Edmonton station as well as CFAX Victoria and CHBE-FM acquired from Seacoast Communications Group Inc.
- Rogers' 2006 results include three new stations (CHNI-FM Saint John, CJNI-FM Halifax and CKNI-F Moncton) as well as a new network radio undertaking.

D. Airplay and financial support for Canadian music, including French-language vocal music

- The Canadian radio sector has an important role to play in showcasing the work and contributing to the development and promotion of Canadian artists. It does this in two ways.
 - The first is through the airplay of Canadian music, including French-language vocal music.
 - The second is through financial contributions towards the development of Canadian talent and content. These development initiatives help ensure the availability and promotion of high quality Canadian music, and other creative material for broadcast.

1. Promoting the airplay of Canadian and French-language vocal music

- Unless otherwise indicated in their radio licence, AM and FM radio licensees must broadcast the levels of Canadian music and French-language vocal music set out in section 2.2 of the Radio Regulations.⁹
- Commercial, campus and community radio stations are required to devote at least 35% of its vocal popular musical (category 2) selections to Canadian selections each week.¹⁰ This minimum level also applies to the 6 a.m. – 6 p.m. period from Monday to Friday on commercial stations only.
- French-language stations are required to devote at least 65% vocal musical selections from category 2 to musical selections in the French language each week. Commercial French-language radio stations are also required to broadcast at least 55% of their category 2 vocal selections between the 6 a.m. – 6 p.m. period from Monday to Friday in French-language.
- Stations that broadcast ethnic programming have the flexibility to choose to program either a minimum of 35% Canadian music over the entire broadcast week or to provide at least 7% Canadian music during ethnic programming periods and at least 35% during the non-ethnic programming.
- In the 2006 Commercial Radio Policy, the Commission increased the minimum requirements for Canadian concert music (subcategory 31) to 25% and jazz and blues music (subcategory 34) to 20%. The revised Canadian content levels of concert music and jazz and blues is expected to come into effect by way of amendments to the Radio Regulations later in 2007. The Radio Regulations require that all other category 3 special interest music subcategories broadcast at least 10% Canadian selections each week.

⁹ *Radio Regulations*, 1986 as amended from time to time.

¹⁰ Seven consecutive broadcast days (6am to midnight) beginning on Sunday.

- In the 2006 Commercial Radio Policy, the Commission also indicated that applicants for new licences, licence renewals and transfers of ownership or control of radio stations would be asked to make specific commitments to provide airplay for and to promotion for emerging Canadian artists and their music.
- The following table shows the number of radio stations that were in compliance with their Canadian content and French-language vocal music requirements in 2006. The results are based on a limited sample of stations analyzed from 1 January 2006 to 31 December 2006 and are not necessarily representative of the radio industry as a whole. The Commission's approach to instances of non-compliance is outlined in *Practices regarding radio non-compliance*, Circular No. 444, 7 May 2001.

Table 2.13: Canadian content and French-language vocal music

Canadian content requirements relating to:	Number of stations analyzed in 2006	Stations meeting minimum content requirements ⁽¹⁾	
		All day & weekly	6 a.m. to 6 p.m. Monday to Friday
Canadian musical selections (English & French-language stations)			
Popular (category 2)			
Private commercial stations	22	20	21
Not-for-profit stations*	4	3	not applicable
Special interest (category 3)			
Private commercial stations	3	3	not applicable
Not-for-profit stations*	5	5	not applicable
French-language vocal music			
Private commercial stations	8	6	8
Not-for-profit stations*	1	1	not applicable

(1) As per the Radio Regulations or set out as part of the licensee's condition of licence.

* Includes CBC / SRC and community AM, FM and network radio stations.

Source: CRTC, Evaluation of licence renewal applications from 1 January 2006 to 31 December 2006

2. Financial support for the development of Canadian talent and content

- One of the methods the Commission uses to increase the amount of Canadian content is to require Canadian broadcasters to make financial contributions toward the development of Canadian talent and content.

a) Canadian content development (CCD) to replace Canadian talent development (CTD)

- In 2006 Radio Commercial Policy the Commission introduced a new approach to the Canadian talent development (CTD) called Canadian content development (CCD).

- CCD places a greater emphasis on the creation and promotion of audio content for broadcast through the development of Canadian musical and spoken word talent, including journalists. This approach is expected to help increase the amount of high-quality Canadian music and spoken word material, and promote emerging Canadian talent.
- Under this new approach, the Commission has also established a contribution system based on the radio station's revenues, rather than on the size of the market in which it operates.
- The new CCD policy will replace the existing CTD regulations and is expected to come into effect 1 September 2007.

b) Over-the-air radio stations

- The Commission reviews radio broadcasters' contribution commitments in the context of: i) applications for new radio stations; ii) renewal of radio licences; and iii) transfers of control or ownership (benefits)

i) Applications for new radio stations

- Between 1 January 2003 and 31 December 2006, the Commission licensed 59 new radio stations through competitive processes in markets across Canada. The successful applicants have committed over \$51.2 million to CTD initiatives over their initial licence terms.
- In addition, there were 174 new radio licences or AM to FM conversions granted without a competitive process between 1 January 2003 and 31 December 2006. These licensees committed a combined \$5.6 million towards CTD initiatives.

ii) Renewal of radio licences

- As part of their licence renewal applications, all licensees of private commercial radio stations are asked to make an annual financial commitment to CTD.
- In *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995, the Commission, in conjunction with the industry, established an approach that would ensure a minimum annual payment of \$1.8 million to eligible third parties associated with CTD. In 2005-06, these radio stations contributed \$8.7 million towards CTD initiatives.

iii) Transfers of control or ownership (benefits)

- As outlined in the 2006 Commercial Radio Policy, applicants for the transfer of ownership or control of commercial radio stations must make commitments that represent a minimum direct financial contribution to CTD of 6% of the value of the transaction. Three percent is to be allocated to the Radio StarMaker Fund/Fonds

RADIOStar¹¹ music marketing and promotion fund, two percent to either FACTOR¹² or MUSICACTION¹³ and one percent at the discretion of the purchaser to other eligible CTD initiatives.

- From the adoption of the Commercial Radio Policy to 31 December 2006, the Commission has approved 107 changes in ownership or control involving 388 radio stations.
- CTD commitments (benefits) from these transactions have totalled \$99.3 million.

Table 2.14: Value of radio transactions and corresponding transfer benefits for the period 1 May 1998 to 31 December 2006

(\$ 000,000)	English-language services			French-language services			Total benefits
	# of Trans.	Value of the transaction*	Benefits	# of Trans.	Value of the transaction*	Benefits	
1 May 98 to 31 Aug. 2004	68	1,243.6	71.6	13	353.8	21.2	92.8
1 Sep. 04 to 31 Mar. 2005	4	13.7	0.5	1	22	0.7	1.1
1 Apr. 05 to 31 Mar. 2006	12	23.9	1.3	2	-	-	1.3
1 Apr. 06 to 31 Dec. 2006	5	67.6	4.1	2	-	-	4.1
Total	89	1,348.8	77.5	18	376.5	21.9	99.3

Value determined by the Commission for the purpose of calculating transfer benefits.

Minor variances are due to rounding.

Source: CRTC Decisions and Administrative approvals

iv) Summary of annual CTD contributions reported by over-the-air radio licensees

- The following table indicates the annual amounts contributed to CTD initiatives by radio licensees. Contributions are based on annual disbursements reported by licensees for the period 1 September to 31 August.

Table 2.15: Annual CTD contributions reported by radio licensees (\$000)

	2002	2003	2004	2005	2006
i) CTD contributions by new stations during the first licence term					
FACTOR	312	441	1,183	1,261	1,506
MUSICACTION	3	9	63	129	205
Music Organization	41	174	247	176	2,636
Performing Arts Groups	378	663	1,216	1,554	2,679
Schools or Scholarships	353	573	622	557	655
Radio StarMaker Fund	-	-	74	130	435
Other eligible CTD initiatives	361	913	1,312	2,348	572
Total contributions	1,448	2,774	4,717	6,157	8,686

¹¹ Radio StarMaker Fund, website: <http://www.starmaker.ca/>; site de Fonds RADIOStar: <http://www.fondsradiostar.com>

¹² Foundation Assisting Canadian Talent on Recordings, website: <http://www.factor.ca/>

¹³ MUSICACTION, website: <http://www.musicaction.ca/accueil/index.asp>

	2002	2003	2004	2005	2006
ii) CTD contributions reported by radio licensees in the context of licence renewals					
FACTOR	829	750	736	829	805
MUSICACTION	281	246	330	338	341
Music Organization	272	282	313	342	567
Performing Arts Groups	735	637	655	843	777
Schools or Scholarships	111	95	92	139	147
Radio StarMaker Fund	-	2	-	-	2
Other eligible CTD initiatives	122	189	296	81	64
Total contributions	2,351	2,201	2,422	2,571	2,702
iii) CTD contributions relating to transfers of control or ownership					
FACTOR	2,338	3,728	2,364	2,822	3,131
MUSICACTION	663	1,447	1,067	1,373	1,125
Music Organization	927	1,015	496	476	433
Performing Arts Groups	229	678	310	528	795
Schools or Scholarships	167	194	57	111	166
Radio StarMaker Fund	4,881	5,816	5,425	6,375	6,382
Other eligible CTD initiatives	68	251	271	592	439
Total contributions	9,272	13,130	9,989	12,276	12,470
Total annual CTD contributions i), ii) & iii)	13,071	18,105	17,129	21,004	23,857

Following an internal review, some of the contribution amounts may have been reclassified or restated.

Minor variances are due to rounding.

Source: CRTC Annual returns and financial database run 26 June 2007

c) Other audio services

- Pay audio services are required to contribute a minimum of 4% of the previous year's annual gross revenues to CTD initiatives.
- Multichannel subscription radio services are required to contribute at least 5% of the gross annual revenues to CTD initiatives. This percentage rate increases to 6%, if the number of subscribers exceeds a certain level.¹⁴ Half of these contributions must be directed to the development of Canadian French-language talent and the other half is to be directed to the development of Canadian English-language talent.

E. Digital radio

- In *Digital radio policy*, Broadcasting Public Notice CRTC 2006-160, 15 December 2006 (2006 Digital Radio Policy), the Commission introduced amendments to its policy¹⁵ that will hopefully encourage and enhance the prospects of digital radio broadcasting in Canada.

¹⁴ See *Satellite subscription radio undertaking – Licence amendment*, Broadcasting Decision CRTC 2006-37, 10 February 2006, for Canadian Satellite Radio Inc. and *Satellite subscription radio undertaking – Licence amendment*, Broadcasting Decision CRTC 2006-38, 10 February 2006, for SIRIUS Canada Inc.

¹⁵ A policy to govern the introduction of digital radio, Public Notice CRTC 1995-184, on 29 October 1995.

- The new policy eliminates transitional digital licences. Under the revised policy, the Commission will accept applications to obtain permanent digital licences from applicants wishing to develop whatever broadcast services they believe will be of greatest interest to the listening public. New digital radio licence holders will fall under the same regulatory framework as existing FM analogue services.
- As of 31 December 2006, there were 76 licences for transitional digital radio programming undertakings authorized to broadcast. Of these licences, 57 have been issued to existing commercial radio programming undertakings, one to a stand-alone ethnic radio programming undertaking and 18 to existing CBC stations. 74 of these licences will expire on 31 August 2007. The remaining two expire in 2009.

Table 2.16: Markets with transitional digital⁽¹⁾ radio stations in Canada⁽²⁾

Market, Province ⁽³⁾	Commercial			CBC English		CBC French		Total
	English	French	Ethnic	Radio One	Radio Two	Première chaîne	Espace musique	
Montréal, QC	2	6	-	1	1	1	1	12
Ottawa/Gatineau, ON/QC	8	3	-	1	1	1	1	15
Toronto, ON ⁽⁴⁾	17	-	7	1	1	1	1	28
Vancouver, BC	9	-	-	1	1	1	1	13
Victoria, BC	2	-	-	-	-	-	-	2
Windsor, ON	4	-	-	1	1	-	-	6
All Canada	42	9	7	5	5	4	4	76
	58			18				

(1) L-Band – from 1452 to 1492 MHz.

(2) Numbers of stations approved but not necessarily on air.

(3) Based on BBM Radio Markets.

(4) Includes a stand-alone ethnic digital radio station located in Toronto (has not commenced operation).

Source: CRTC APP 1205 report – run 4 January 2007

F. Over-the-air ethnic radio

- The Commission's ethnic broadcasting policy is set out in *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (Ethnic Policy). The primary goal of this policy is to ensure access by Canadians to ethnic programming to the maximum extent practicable, given resource limitations. As one way of furthering this objective, the Commission has licensed over-the-air ethnic radio broadcasters that specialize in providing ethnic programming.
- Ethnic radio stations are required to devote not less than 60% of the broadcast week to ethnic programming¹⁶ and at least 50% of all programming broadcast must be third-language programming.¹⁷

¹⁶ Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles.

¹⁷ Third-language programming is programming in languages other than English and French or those of Aboriginal peoples of Canada.

- The Commission is of the view that a primary responsibility of over-the-air ethnic radio stations should be to serve and reflect their local community. Licensees are expected to report on past and future local programming initiatives at the time of licence renewal.
- Ethnic stations are also required to serve a range of ethnic groups in a variety of third-languages. This approach allows for the provision of service to groups that would not otherwise be able to afford their own single-language service. However, where many distinct ethnic groups are served in the overall market, individual stations may be permitted to provide more hours of service to fewer groups.
- As of 31 December 2006, there were 21 private commercial over-the-air ethnic radio stations authorised to broadcast in Canada. The following is a listing of ethnic radio stations by market. The listing also indicates the minimum number of distinct ethnic groups that each station is required to serve in each broadcast week as well as the minimum number of third languages that they must broadcast.

Vancouver

- CHKG-FM is required to broadcast a minimum of 100 hours of ethnic programming per week. It is required to provide programming directed to a minimum of 20 cultural groups in a minimum of 15 different languages. It is not authorized to broadcast any programming directed to the Chinese community during weekdays between 6 a.m. and 3 p.m.
- CHMB is required to broadcast ethnic programming directed to a minimum of 12 cultural groups in a minimum of 12 different languages. The station is also required to provide programming directed to Aboriginal people.
- CJRJ is required to provide programming directed to a minimum of 11 cultural groups in a minimum of 17 different languages. All of the station's programming must be devoted to ethnic programming and at least 95% of its programming must be in third languages. At least 73% of programming must be in the Hindustani and Punjabi languages. This station is not permitted to broadcast in a Chinese language.
- CJVB is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 23 different languages.
- CKYE-FM is required to provide programming directed to a minimum of 15 cultural groups in a minimum of 15 different languages. Not less than 90% of its programming must be ethnic, all of which must be in third languages. Not less than 75% of the ethnic programming must be in the Punjabi, Hindi and Urdu languages. This station is not permitted to broadcast in a Chinese language.

Edmonton

- CKER-FM is required to broadcast ethnic programming directed towards not less than 19 distinct ethnic groups, in not less than 19 different languages.

Calgary

- CHKF-FM is required to provide ethnic programming directed to a minimum of 10 ethno-cultural groups in a minimum of 19 different languages.

Winnipeg

- CKJS is required to broadcast ethnic programming directed towards not less than 19 cultural groups, in not less than 16 different languages. The station must broadcast a minimum of 73 hours 30 minutes of ethnic programs.

Toronto

- CIRV-FM is required to provide programming directed to a minimum of 9 cultural groups in a minimum of 9 different languages.
- CHIN-FM is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 20 different languages.
- CHIN is required to provide programming directed to a minimum of 23 cultural groups in a minimum of 17 different languages.
- CHKT is required to provide programming directed to a minimum of 14 cultural groups in a minimum of 15 different languages.
- CJSF-FM is required to provide programming directed to a minimum of 16 cultural groups in a minimum of 22 languages. The station must devote a minimum of 90% of the programming broadcast to ethnic programs. At least 48% of all ethnic programs must be in the Tamil, Hindi and Filipino languages. A minimum of 80% of the programming broadcast must be in a third language.
- CIAO is required to provide programming directed to a minimum of 12 cultural groups in a minimum of 13 different languages.
- CJMR is required to provide programming directed to a minimum of 11 cultural groups in a minimum of 15 different languages. The station must limit the broadcast of brokered ethnic programming to a maximum of 62% of the broadcast week.
- In *Ethnic AM radio station in Toronto*, Broadcasting Decision CRTC 2006-117, 4 April 2006, the Commission approved an application by Canadian Hellenic Toronto Radio Inc. for a new commercial ethnic AM radio station in Toronto. The new station will direct its programming primarily to the Toronto area's Greek-speaking community and will also provide ethnic programming in Armenian, Romanian, Serbian and Bulgarian, as well as in English. This station will be required to provide programming directed to a minimum of 5 cultural groups in a minimum of 6 languages. The station must also devote a minimum of 88% of the programming to third-language programs.

Montréal

- CFMB is required to provide programming directed to a minimum of 19 cultural groups in a minimum of 18 different languages.
- CJWI is a French-language ethnic station. The station must devote not less than 90% of its programming to French-language ethnic programming, targeting the Haitian, Latin-American and African communities. The remaining 10% must be in a third language.
- CKDG-FM is required to provide programming directed to a minimum of 6 cultural groups in a minimum of 8 languages. The station must devote a minimum of 70% of the programming to ethnic programs. A minimum of 60% of the programming must be in third languages.
- In *Ethnic AM radio station in Montréal*, Broadcasting Decision CRTC 2006-82, 15 March 2006, the Commission approved an application by 9015-2018 Québec inc. (doing business under the name of Radio Moyen Orient du Canada) for a broadcasting licence to operate a new ethnic commercial AM radio station in Montréal. The applicant proposed a service primarily intended for Arab communities in Montréal. The station is required to provide programming directed to a minimum of 10 cultural groups in a minimum of 4 languages.

Ottawa

- CJLL-FM is required to provide ethnic programming directed towards not less than 37 cultural groups, in not less than 20 different languages in each broadcast week. The station must broadcast a minimum of 94% of ethnic programs. At least 92% of programming must be in third languages other than English, French or Canadian Aboriginal language.

G. Religious radio

- The Commission's policy on religious broadcasting is set out in *Religious Broadcasting Policy* Public Notice CRTC 1993-78, 3 June 1993.
- The Commission's approach to religious broadcasting is based on the following principles:
 - Recognition of alternative values: the policy recognizes the legitimate needs and interests of those who wish to receive various kinds of religious programming.
 - Importance of balance: licensees are required to provide balance on matters of public concern and the Commission considers that religion is a matter of public concern. The balance policy seeks to ensure that a reasonably consistent listener will be exposed to a spectrum of differing views on issues of public concern within a reasonable period of time.

- As of 31 December 2006, there were 69 radio stations licensed to broadcast primarily religious music and/or spoken word. Of these 69 stations, 26 are French-language, 42 are English-language and one is third-language.

H. Native radio

- Native radio is governed by the *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990. The policy framework is designed to improve the quality and quantity of access by Aboriginal broadcasters to the Canadian broadcasting system.
- These undertakings play a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.
- The greatest concentration of activity in Aboriginal broadcasting involves community-based radio stations in small remote locations.
- There are two types of Native radio stations:
 - Type A: A Native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.

As a result of *Exemption order respecting certain native radio undertakings*, Public Notice CRTC 1998-62, 9 July 1998, Type A stations are no longer required to hold a broadcasting licence from the Commission.

- Type B: A Native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force. There are currently 46 Type B Native radio stations and seven native network radio licenses.

Table 2.17: Revenues and PBIT margins for Type B Native radio stations

(\$ 000)	2002	2003	2004	2005	2006
<i>Number of radio undertakings reporting</i>	<u>17</u>	<u>17</u>	<u>18</u>	<u>21</u>	<u>22</u>
Local advertising	1,574	2,085	1,608	2,025	2,361
National advertising	181	223	91	102	203
Other*	8,387	9,239	8,626	8,134	12,820
Total revenues	10,142	11,548	10,324	10,261	15,385
% of Non-advertising revenues	83%	80%	84%	79%	83%
PBIT margin	-7.8%	9.7%	3.5%	5.7%	14.8%

Notes: 2002 to 2005 figures have been updated to reflect current August 31st aggregate results.

Minor variances are due to rounding.

* Includes government and band council grants and contributions from other sources.

Source: CRTC financial database

I. Community radio

- The *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000 (Community Radio Policy), states that the primary objective for community radio stations is to provide a local programming service that differs in style and substance from the services provided by commercial stations and the CBC. Programming provided by community radio stations should be relevant to the communities served, including official language minorities, adding diversity to the broadcasting system by increasing program choice in both music and spoken word.
- Community radio stations are owned and controlled by not-for-profit organizations, the structure of which provides for membership, management, operation and programming primarily by members of the community at large. In addition to advertising revenues, community radio stations also receive revenues from fundraising, grants, and other sources.
- There are three kinds of community radio stations: Type A, Type B and Developmental. A community station is a Type A station if, at the time of licensing, no radio station other than the CBC is operating in the same language in all or part of the same market. A community station is a Type B station if, at the time of licensing, there is at least one station, other than the CBC, operating in the same language in all or part of the same market. Developmental community stations are generally licensed for three years at which time they are expected to have filed an application with the Commission for a regular community radio licence, or to cease operations.
- As of 31 December 2006, there are 45 Type A, 50 Type B and ten Developmental community stations authorized. Of the Type A community stations, 34 are French-language, 10 are English-language and one is bilingual. Of the Type B community stations, 26 are French-language, 23 are English-language and one is multicultural. There are nine English-language and one bilingual Developmental community stations.

Table 2.18: Revenues and PBIT margins of community radio stations

(\$ 000)	2002	2003	2004	2005	2006
<i>Number of radio undertakings reporting</i>	<u>44</u>	<u>54</u>	<u>48</u>	<u>62</u>	<u>74</u>
Local advertising	5,667	7,030	6,544	7,846	8,945
National advertising	1,214	1,834	1,338	1,624	2,267
Other *	6,325	7,459	7,065	7,553	9,309
Total revenues	13,205	16,323	14,947	17,024	20,522
% of non-advertising revenues	48%	46%	47%	44%	45%
PBIT margin	2.3%	4.0%	1.5%	3.5%	7.2%

Notes: 2002 to 2005 figures have been updated to reflect current August 31st aggregate results.

Minor variances are due to rounding.

* Includes fundraising, grants and other sources.

Source: CRTC financial database

J. Campus radio

- A campus radio stations is a not-for-profit organization that is associated with a post-secondary educational institution. As stated in *Campus radio policy*, Public Notice CRTC 2000-12, 28 January 2000, there are two types of campus radio stations: community-based campus, and instructional. A community-based campus station's programming is primarily produced by volunteers who are either students or community members. The primary objective of an instructional campus station is the training of professional broadcasters.
- There are currently 51 campus stations licensed across Canada: 41 Community-Based campus stations, nine Instructional and one Developmental campus station.
- Of the community-based campus stations, five are French-language and 36 are English-language.
- The majority of campus radio revenues come from sources other than advertising, for example, revenues from the educational institution with which they are associated, grants, the local community and fundraising.

Table 2.19: Revenues for campus radio stations

(\$ 000)	2002	2003	2004	2005	2006
<i>Number of radio undertakings reporting</i>	<u>28</u>	<u>29</u>	<u>32</u>	<u>38</u>	<u>41</u>
Local advertising	563	698	520	906	1,138
National advertising	55	94	55	52	73
Other*	3,287	4,042	4,389	5,191	6,039
Total revenues	3,906	4,834	4,964	6,149	7,250
% of non-advertising revenues	84%	84%	88%	84%	83%

Notes: 2002 to 2005 figures have been updated to reflect current August 31 aggregate results.

Minor variances are due to rounding.

* Includes fees, fundraising, grants.

Source: CRTC financial database

K. Audio services delivered by broadcasting distribution undertakings

1. Specialty audio services

- In *New licensing framework for specialty audio programming services*, Broadcasting Public Notice CRTC 2002-53, 12 September 2002, the Commission recognized the scarcity of over-the-air frequencies by offering an opportunity for a range of new discretionary specialty audio programming services distributed through other means.

- Specialty audio services are defined as audio programming services that are radio undertakings, other than licensed over-the-air services, delivered by broadcasting distribution undertaking and are specialized with respect to their content and/or target audience.
- There are no carriage rights associated with their operation. Nor are there limits to the amount of advertising that may be broadcast on these services and licensees can negotiate a subscriber fee with distribution undertakings.
- As of 31 December 2006, the Commission has approved nine specialty audio services (one regional and eight national) targeting three ethnic communities and five Christian communities.

2. Pay audio programming services

- In 1995,¹⁸ following a competitive process, the Commission approved two national pay audio programming services, namely Galaxie and Max Trax. These services offer more than 30 channels of commercial-free music. Each channel is devoted to a specific type of music, including classical, contemporary Christian, jazz, rap, rock, etc.
- Galaxie and Max Trax are carried on a discretionary basis by major distributors across Canada. Subscriber revenue is the revenue source for these services.

L. Multi-channel subscription radio services

- In *Introduction to Broadcasting Decisions CRTC 2005-246 to 2005-248: Licensing of new satellite and terrestrial subscription radio undertakings*, Broadcasting Public Notice CRTC 2005-61, 16 June 2005, the Commission set out the licensing framework for satellite subscription radio services and announced approval of three national subscription radio undertakings that provide a package of radio channels to subscribers for a monthly fee.

1. Subscription radio via terrestrial transmitters

- The programming of one of the authorized services¹⁹ (an undertaking to be operated by CHUM) will be delivered entirely by terrestrial transmitters and all channels will be Canadian-produced.

2. Subscription radio via satellite radio services

- The remaining two programming services authorized, Canadian Satellite Radio Inc. (CSR) and SIRIUS Canada Inc. (Sirius Canada), are delivered primarily by satellite, with terrestrial transmitters, as required, to fill the gaps in coverage. Each of these

¹⁸ *Licensing of four new pay audio programming undertakings*, Public Notice CRTC 1995-218, 20 December 1995; *New Pay Audio Programming Undertaking (Select Digital Music)*, Decision CRTC 93-235, 25 June 1993.

¹⁹ As of 31 December 2006 this service had not yet been launched.

North American satellite-based services provides a mix of Canadian and non-Canadian produced channels. CSR offers programming channels that are provided by U.S.-based XM Satellite Radio Inc. (XM) and Sirius Canada offers programming channels provided by U.S.-based SIRIUS Satellite Radio inc (SIRIUS).

- The CSR and Sirius Canada services were launched in December 2005. As of 28 February 2007, CSR reported that it had 237,000 subscribers, and as of 22 November 2006, Sirius reported that it had over 200,000 subscribers.²⁰
- In *Distribution of satellite subscription radio services*, Broadcasting Decision CRTC 2006-650, 28 November 2006, the Commission approved, subject to certain provisions, an application from Rogers Cable Communications Inc. (Rogers) to carry licensed satellite subscription radio on a digital basis.
- As of 28 February 2007, the Commission has approved similar amendments to the broadcasting licences of other cable broadcasting distribution undertakings (Bell Canada, TELUS, Vidéotron and Cogeco).²¹
- In March 2007,²² the Commission also authorized, subject to certain provisions, DTH satellite services to carry satellite subscription radio on a digital basis.

M. The national public broadcaster

- The CBC is Canada's national public broadcaster. As such, pursuant to section 3(1)(l) of the Act, it should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains. Section 3(1)(m) of the Act states that CBC's programming should:
 - (i) be predominantly and distinctively Canadian,
 - (ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,
 - (iii) actively contribute to the flow and exchange of cultural expression,
 - (iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,
 - (v) strive to be of equivalent quality in English and French,
 - (vi) contribute to shared national consciousness and identity,
 - (vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and
 - (viii) reflect the multicultural and multiracial nature of Canada.

²⁰ The Future Environment Facing the Canadian Broadcasting System, A report prepared pursuant to section 15 of the *Broadcasting Act*.

²¹ See Broadcasting Decisions 2006-693 to 2006-695 and 2007-64(2007-64-1).

²² *Distribution of satellite subscription radio services*, CRTC Broadcasting Decisions 2007-82 and 2007-85, issued on 13 March 2007 and 16 March 2007 respectively.

1. Over-the-air radio stations

- The CBC operates four national radio network services: Radio One and Radio 2 in English, and La Première Chaîne and Espace musique in French. Additionally, the CBC provides a unique radio service serving Canada's northern communities, broadcasting in English, French and eight Aboriginal languages. The CBC also operates Radio-Canada International, an international radio service broadcasting in nine languages.
- The CBC radio services broadcast commercial-free and are funded by the federal government.

2. Pay audio service

- The CBC owns and operates the national pay audio service Galaxie, offering 45 channels of continuous music, without talk, to nearly six million subscribers.²³ The revenues for this bilingual service are derived entirely from subscriber revenues.

3. Satellite subscription radio undertaking

- The CBC is also a partner²⁴ in the satellite radio service SIRIUS Canada, which was launched in December 2005.

N. Competitive licensing

- In *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999 (Decision 99-480), the Commission outlined the factors that will generally be among those relevant to the evaluation of competitive applications. Decision 99-480 also noted that the relative weight and significance of the factors would vary depending on the specific circumstances of the market concerned.
- The Commission also examines applications in terms of their furtherance of the objectives of the Act, particularly with respect to the production of local and regional programming.
- The following table reveals the factors that were noted in the Commission's decisions as contributing to the approval of radio applications dealt with in a competitive process, as set out in decisions issued from 1 January 2003 to the 31 December 2006.

²³ CBC/*Radio-Canada Services*, CBC/SRC website, 22 March 2007: <http://www.cbc.radio-canada.ca/submissions/2007-pa.shtml>

²⁴ CBC and Standard Radio each hold a 40% voting interest in Sirius Canada. The remaining 20% is held by Sirius Satellite Radio Inc., an American corporation.

Table 2.20: Factors contributing to successful applications for radio licences considered in competitive processes from 1 January 2003 to 31 December 2006

Market / Company	Decision number	Language / Type	Quality of the application				Competitive balance	Diversity of news voices
			Local programming and benefits to the community	Canadian content ⁽¹⁾	CTD	Business plan		
Toronto, PN 2003-20 (17 September 2002 PH - 17 applications considered)								
Toronto, Canadian Multicultural Radio	2003-115	m C Sp(ethnic), FM		✓				✓
Toronto, Coopérative radiophonique de Toronto	2003-116	f CO Type A FM		✓			✓	
Toronto, Father Hernan Astudillo	2003-117	m CO Type B (ethnic) AM		✓				✓
Toronto, Sur Sagar Radio Inc.	2003-118	m C Sp(ethnic), digital		✓				✓
Kitchener-Waterloo, PN 2003-25 (28 October 2002 PH - 11 applications considered)								
Kitchener-Waterloo, Global	2003-152	e C MF, FM		✓	✓	✓		✓
Kitchener-Waterloo, Larche	2003-153	e C MF, FM	✓	✓	✓	✓		
Kitchener-Waterloo, Sound of Faith	2003-154	e NC Sp(religious) FM		✓				✓
Kitchener-Waterloo, AVR	2003-155	e/n N Type B, FM						✓
Newfoundland (10 December 2002 PH - 2 applications considered)								
St. John's, Newman/Bell	2003-171	e C MF, FM	✓				✓	✓
Québec, PN 2003-33 (3 February 2003 PH - 26 applications considered)								
Montréal, Radio Nord	2003-192	f C SpMF(jazz), FM		✓	✓		✓	✓
Laval, Lajoie/Chabot	2003-193	f C SpMF(40's-70's), AM	✓			✓	✓	✓
Montréal, Canadian Hellenic Cable Radio	2003-194	m C Ethnic, FM	✓	✓				✓
Montréal, AVR	2003-195	e/f/n N Type B, FM						✓
Sherbrooke, Cogéco	2003-197	f C MF, FM		✓	✓		✓	✓
Sherbrooke, Génération Rock	2003-198	f C MF, FM	✓	✓			✓	✓
Lac-Brome, Radio Communautaire Missisquoi	2003-199	e CO Type A, FM	✓					
Trois Rivières, Cogéco	2003-201	f C MF, FM		✓	✓		✓	✓
Alberta, PN 2004-23 (18 June 2003 PH - 13 applications considered)								
Red Deer, CBC	2004-116	e NC CBC2, FM (rebroad)						✓
Red Deer, Pattison	2004-117	e C MF, FM					✓	
Edmonton, CHUM / Milestone	2004-133	e C MF, FM		✓	✓	✓		✓
Edmonton, AVR	2004-134	e/n N Type B, FM						✓
Edmonton, O.K. Radio	2004-135	e C MF, FM		✓	✓	✓	✓	✓
Edmonton, Rawlco	2004-136	e C SpMF(jazz), FM		✓	✓	✓		✓
Atlantic, PN 2004-91 (1 March 2004 PH - 25 applications considered)								
Halifax, Rogers	2004-513	e C SP (Spoken Word), FM	✓		✓			✓
Halifax, CKMW Radio	2004-514	e C MF, FM		✓	✓			✓
Halifax, Global	2004-515	e C MF, FM		✓	✓	✓		
Halifax, International Harvesters	2004-516	e C SpMF(Christian), FM		✓				✓
Moncton, Rogers	2004-517	e C SP (Spoken Word), FM	✓		✓			✓
Moncton, Radio Beauséjour	2004-518	f CO Type B, FM						✓
Saint John, Rogers	2004-520	e C SP (Spoken Word), FM	✓		✓			

Market / Company	Decision number	Language / Type	Quality of the application				Competitive balance	Diversity of news voices
			Local programming and benefits to the community	Canadian content (1)	CTD	Business plan		
Saint John, Coopérative	2004-521	f CO Type A, FM						✓
Fredericton, Newcap	2004-522	e C MF, FM			✓	✓		✓
Fredericton, Ross Ingram	2004-523	e C SpMF (Christian), FM		✓				✓
National Capital Region, PN 2005-64 (1 December 2004 PH – 16 applications considered)								
Ottawa, Newcap	2005-253	e C MF, FM	✓	✓	✓		✓	
Ottawa, CKMW Radio	2005-254	e C MF, FM	✓	✓	✓		✓	
Gatineau, Radio Nord	2005-255	f C MF, FM		✓			✓	
Ottawa, 3077457 Nova Scotia Ltd.	2005-256	e TO LP, FM					✓	
British Columbia, PN 2005-68 (28 February 2005 PH – 11 applications considered)								
Vancouver, I.T. Productions Ltd.	2005-338	m C Ethnic, AM	✓	✓		✓		✓
Vancouver, South Asian Broadcasting Corp.	2005-339	m C SP(Ethnic), FM	✓	✓		✓		✓
Kamloops, NL Broadcasting Ltd.	2005-341	e C MF, FM		✓		✓	✓	
Ontario, PN 2005-85 (6 June 2005 PH – 6 applications considered)								
Woodstock, Byrnes Communications Inc.	2005-431	e C MF, FM	✓			✓		✓
Tillsonburg, Tillsonburg Broadcasting	2005-432	e C MF, FM (Flip)					✓	
Atlantic, PN 2006-34 (3 October 2005 PH – 8 applications considered)								
New Glasgow, Hecor Broadcasting	2006-87	e C MF, FM (Flip)					✓	
Charlottetown, Newcap	2006-88	e C MF, FM (Flip)					✓	
Charlottetown, Maritime Broadcasting	2006-89	e C MF, FM (Flip)			✓		✓	
Charlottetown, Newcap	2006-90	e C MF, FM					✓	
Moose Jaw, Saskatchewan - PN 2005-49 (16 January 2006 Non-Appearing PH – 3 applications considered)								
Moose Jaw, Golden West Broadcasting	2006-190	e C MF, FM		✓			✓	
Alberta, PN 2006-97 and 2006-98 (21 February 2006 PH – 18 applications considered) ⁽²⁾								
Calgary, Harvard Broadcasting	2006-321	e C MF, FM		✓			✓	✓
Calgary, Rawlco Radio	2006-322	e C SpMF(Folk), FM		✓			✓	✓
Calgary, Newcap Inc.	2006-323	e C MF, FM		✓	✓		✓	✓
Calgary, CHUM Limited	2006-324	e C MF, FM			✓		✓	✓
Airdrie, Tiessen Media	2006-325	e C MF, FM	✓	✓	✓			
Lethbridge, 1182743 Alberta Ltd.	2006-328	e C MF, FM		✓	✓			✓
Québec, PN 2006-101 (20 March 2006 PH – 10 applications considered) ⁽³⁾								
Québec, 9147-2605 Québec inc. (Radio Classique)	2006-348	f C SpMF(Classical), FM		✓			✓	✓
Alberta, PN 2006-144 & 2006-145 (19 June 2006 PH – 19 applications considered)								
Grande Prairie, Bear Creek Broadcasting Ltd.	2006-621	e C MF, FM	✓	✓			✓	✓
Grande Prairie, Vista Radio Ltd.	2006-622	e C MF, FM	✓				✓	✓
Grande Prairie, Allan Hunsperger (OBCI)	2006-623	e C SpMF(Rel), FM					✓	✓
Fort McMurray, Harvard Broadcasting Inc.	2006-627	e C MF, FM		✓			✓	✓

Market / Company	Decision number	Language / Type	Quality of the application			
			Local programming and benefits to the community	Canadian content ⁽¹⁾	CTD	Business plan
Fort McMurray, Newcap Inc.	2006-628	e C MF, FM				
Fort McMurray, King's Kids Promotions Outreach Ministries Inc.	2006-629	e C SpMF(Religious), Not-for-profit, LP, FM		✓		
						Competitive balance
						Diversity of news voices

Source: CRTC Broadcasting Public Notices (PN) and Decisions (noted in table)

Legend: PN = Public Notice; PH = Public Hearing; Languages: e = English-language, f = French-language, e/n = English & Aboriginal, f/n = French & Aboriginal, m = 3rd languages (other than English, French & Aboriginal); Type: C = Commercial, NC = Non-Commercial, N = Native, CO = Community, CC = Community based Campus, CI = Campus Instructional, MF = Musical format, SpMF = Specialty music format, Flip = Conversion of existing AM radio station to FM frequency, CBC1 = English-language CBC "Radio One" format, CBC2 = English-language CBC "Radio Two" format, SRC1 = French-language CBC "La première chaîne" format, SRC2 = French-language CBC "Espace musique" format.

(1) "Canadian content" refers to applications that proposed to exceed the minimum regulatory requirement for Canadian content.

(2) In decision 2006-327, the Commission also approved technical amendments to the licence of CJTS-FM Lethbridge which resulted in changes the station's status from a low-power unprotected service to a regular Class B FM station.

(3) In decisions 2006-349 and 2006-350, the Commission also approved changes to the licences of two existing French-language stations, CKNU-FM Donnacona and CFEL-FM Montmagny, operating in markets adjacent to the Quebec market.

O. 2006 Commercial Radio Policy Review

- In 2006 the Commission reviewed its commercial radio policy.
- In *Review of the Commercial Radio Policy*, Broadcasting Notice of Public Hearing CRTC 2006-1, 13 January 2006, the Commission invited the public and interested parties to participate in its commercial radio policy review. The Commission received 194 written comments and 48 parties made oral presentations at a public hearing which took place in May 2006.
- On 15 December 2006, the Commission issued revisions to its commercial and digital radio policies. Also resulting from this process, were amendments to the Commission's policy relating to the issuance of calls for radio applications.

1. *Commercial Radio Policy 2006, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (2006 Commercial Radio Policy)*

- In the 2006 Commercial Radio Policy the Commission sets out its revised policy for commercial radio. Areas addressed include the airplay and financial support for Canadian music and French-language vocal music, cultural diversity, local management agreements and local sales agreements, and local programming and infomercials. A new approach to Canadian content development (CCD) initiatives

which will replace the existing Canadian talent development (CTD) policy effective 1 September 2007 is also announced.

- With respect to the future impact of new technologies on conventional radio, the Commission states that although the radio industry is currently healthy, it is entering a period of uncertainty as it comes to grips with the challenges and opportunities that will be provided by new technologies for the distribution of audio programming. As such, the Commission will continue to monitor how new distribution technologies for audio programming are affecting the radio industry.
- The Commission also noted that many radio broadcasters are exploring ways of using new distribution platforms to complement the service provided by their conventional radio stations. The Commission therefore indicated its intention to question radio licensees, at licence renewal and in new licensing and ownership transfer proceedings, about their plans to employ new distribution platforms to the benefit of the Canadian broadcasting system.

2. Digital radio policy, Broadcasting Public Notice CRTC 2006-160, 15 December 2006 (Public Notice 2006-160)

- In this public notice, the Commission sets out its revised policy for digital radio broadcasting.

3. Revised policy concerning the issuance of calls for radio applications and a new process for applications to serve small markets, Broadcasting Public Notice CRTC 2006-159, 15 December 2006 (Public Notice 2006-159)

- The objective in issuing calls for radio applications is to ensure that the best possible application is licensed and that applications are dealt within an efficient manner. In Public Notice 2006-159, the Commission sets out changes to its call policy with the objective of introducing greater certainty into this process.

a) Revised radio call policy for markets with populations up to 250,000

- In response to the challenging environment faced by broadcasters in smaller radio markets (where the population aged 12 and above does not exceed 250,000), the Commission modified its policy relating to the issuance of calls for small market radio applications.
- Applications for new radio stations in smaller markets will be subjected to the revised market evaluation process outlined in Public Notice 2006-159. If the Commission's final determination is that the market is incapable of supporting a new radio station, the application will be returned to the applicant and, in some cases, a public notice will be issued detailing the Commission's conclusions for not proceeding with a call for applications.

b) Two-year pause in processing applications after the issuance of a decision following a call for applications (all markets)

- Where the Commission decides not to issue a call based on unfavourable market conditions or after the issuance of a decision following a call for applications, the Commission will not generally be disposed to accepting applications for this market for a period of two years from the date of the public notice announcing the Commission decision.

c) Further consultations with interested parties

- The Commission also indicated that it would continue to explore further possible streamlining approaches related to the issuance of calls for applications with interest parties.
- In order to provide the broadcasting industry with current and meaningful data on the health of individual radio markets, the Commission indicated its intention to release aggregate data on small, medium and large markets on an annual basis. The Commission will first have to meet with CAB and other interested parties in order to address the issues of confidentiality of financial information in these markets. The Commission feels that this measure will contribute to enhanced transparency, the reduction of applications in markets experiencing slower growth and to the prevention of over licensing.

III. Television

A. Diversity of television services available in Canada

- The following table provides a summary of the various types of Canadian and non-Canadian television services that are authorized to broadcast in Canada as of 31 December 2006.

Table 3.1: Television services available in Canada

	English language*	French language	Third language	Total
Canadian conventional (over-the-air) (OTA) ⁽¹⁾				
National public broadcaster (CBC)				
- Owned and operated	15	8	-	23
- Transitional digital ⁽⁷⁾	4	3	-	7
Private commercial ⁽⁸⁾	74	23	4	101
Religious ⁽⁹⁾	5	-	-	5
Educational	4	3	-	7
Aboriginal	7	-	-	7
Transitional digital ⁽⁷⁾	8	3	3	14
Canadian specialty, pay, pay-per-view (PPV) and video-on-demand (VOD)				
Analog specialty services	30	14	5	49
Digital category 1 specialty services	15	3	-	18
Digital category 2 specialty services ⁽²⁾	51	2	26	79
Pay television services ⁽³⁾	7	2	4	13
PPV services (direct-to-home (DTH) and terrestrial)	11	2	-	13
VOD services ⁽⁴⁾	15	1	-	16
Other Canadian services				
Community channels ⁽⁵⁾	102	32	-	134
Community programming services	11	1	-	12
House of Commons – Cable PublicAffairs Channel (CPAC)	1	1	-	2
Non-Canadian services ⁽⁶⁾				
Non-Canadian satellite services authorized for distribution in Canada	85	6	71	162
Total number of television services	445	104	113	662

Excludes radicomunication distribution undertakings (RDU), rebroadcasters, exempt television services and those specialty services where the authority has expired. Also excludes some network licences.

*Includes bilingual (English and French) and native services.

(1) Includes satellite to cable services.

(2) Includes only digital category 2 specialty services that have been launched as of 31 December 2006. As of 31 December 2006, the Commission has approved 292 digital category 2 specialty services.

(3) Includes only pay services that have been launched as of 31 December 2006. 26 pay services have been approved by the Commission.

(4) Number of services approved but not necessarily in operation. Two English-language, one French-language and 13 bilingual VOD services have been approved. Of these, it is estimated that, as of 31 December 2006, nine had been launched.

(5) Number of channel reported by BDU licensees as of 31 August 2006. Excludes class 2 and 3 BDUs.

(6) Carriage of authorized services is at the discretion of the broadcast distribution undertaking. Refer to Appendix II of Revised lists of eligible satellite services, Broadcasting Public Notice CRTC 2007-2, 2 January 2007 for complete listing of eligible services approved as of 31 December 2006.

(7) Number of over-the-air transitional digital television approved, but not necessarily in operation. As of 31 December 2006, 16 stations were broadcasting. Refer to Table 3.16 for detailed listing.

(8) Excludes private commercial religious stations.

(9) Includes three commercial conventional OTA television stations.

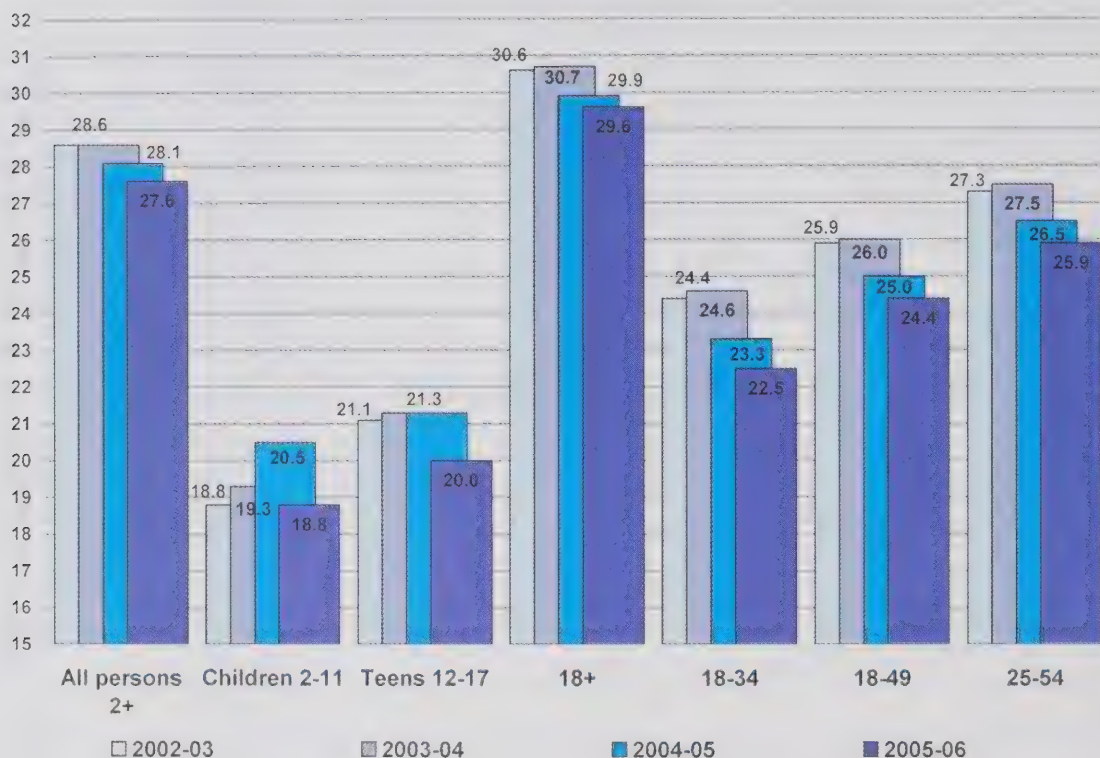
Sources: CRTC APP1205 report dated 31 December 2006, CRTC decisions and CRTC Financial database system as of 31 August 2006

B. Audience

1. National average weekly viewing hours by age group

- The following chart shows the national average weekly viewing hours in Canada by age group for the 2002-03 to 2005-06 television seasons,¹ using BBM/NMR² national metered data for all persons 2+, Monday to Sunday, 6 a.m. to 6 a.m.

Chart 3.1: Per viewer³ average weekly viewing hours by age group



Note: Results have been restated using BBM/NMR national metered data. In previous editions of the BPMR this data was based on BBM Metered data.

Source: BBM Canada, TV Meter Databook, 1 September 2005 to 27 August 2006 issue

- The average weekly viewing hours for all persons aged 2+ has decreased by one hour since 2002/03. This decrease is most notable for teens 12 to 17 and adults aged 18 to 34.
- According to BBM, Sunday continues to be the most popular television viewing day of the week.

¹ Television seasons: 2002/03: 1 September 2002 to 31 August 2003; 2003/04: 1 September 2003 to 29 August 2004; 2004/05: 30 August 2004 to 28 August 2005; 2005/06: 29 August 2005 to 27 August 2006.

² BBM Canada / Nielsen Media Research.

³ Average number of hours that the viewer spends watching television in an average week (total viewing minutes divided by average weekly reach).

2. Viewing share of Canadian and non-Canadian services by language and type of service

Table 3.2: Viewing share of Canadian and non-Canadian services by language and type of service

All Canada

BBM/NMR* national metered data – 2002-03, 2003-04, 2004-05 and 2005-06 broadcast years⁽¹⁾
for all persons 2+, Monday to Sunday, 6 a.m. to 6 a.m.

Viewing share %	2002- 2003*	2003- 2004*	2004- 2005*	2005- 2006	02/03- 05/06 Inc./Dec.
<i>Canadian services</i>					
<i>English-language</i>					
CBC conventional OTA & affiliates	4.4	5.1	4.0	4.6	0.3
Private conventional OTA	22.2	23.2	23.6	22.4	0.2
Pay & specialty	23.5	24.3	25.3	26.6	3.1
Digital pay & specialty	1.6	1.9	2.6	2.3	0.7
Other services ⁽²⁾	1.2	1.2	1.3	1.4	0.2
Total English-language	52.9	55.7	56.7	57.4	4.5
<i>French-language</i>					
SRC conventional OTA & affiliates	3.0	3.0	3.3	3.1	0.0
Private conventional OTA	9.7	9.7	9.4	9.0	-0.7
Télé-Québec OTA	0.6	0.7	0.7	0.6	-0.1
Pay & specialty	7.6	7.0	6.7	7.1	-0.4
Digital pay & specialty	0.0	0.0	0.1	0.2	0.2
Other services ⁽³⁾	0.1	0.1	0.1	0.1	0.0
Total French-language	21.0	20.4	20.2	20.1	-1.0
<i>Other-languages</i>					
Private conventional OTA	0.8	1.0	1.1	1.0	0.1
Pay & specialty (incl. digital)	0.3	0.2	0.2	0.1	-0.2
APTN	0.1	0.1	0.1	0.1	0.1
Total Other-languages	1.2	1.3	1.4	1.2	0.0
Total Canadian services	75.2	77.5	78.3	78.7	3.6
<i>Non-Canadian services</i>					
US conventional OTA (incl PBS)	13.5	12.4	11.7	11.2	-2.2
Pay & specialty	8.7	7.5	7.4	7.3	-1.4
Total non-Canadian services	22.2	19.9	19.2	18.5	-3.6
<i>Other services</i>					
VCR / DVD	8.7	8.8	9.7	9.1	0.4
Total viewing share	100	100	100	100	
Total hours (000,000)	791.4	795.2	780.2	809.8	18.4

Notes: Minor variances are due to rounding

*Results have been restated using BBM/NMR national metered data. In previous editions of the BPMR this data was based on BBM Metered data.

(1) Television seasons: 2002/03: 1 September 2002 to 31 August 2003; 2003/04: 1 September 2003 to 29 August 2004; 2004/05: 30 August 2004 to 28 August 2005; 2005/06: 29 August 2005 to 27 August 2006.

(2) Includes Access, Knowledge, TVO and CTS.

(3) Includes TFO.

Source: BBM/NMR metered data, BBM InfoSys – run May 2007

- Canadian English-language public and private conventional OTA services achieved a 27% share of total viewing in 2006, a level that is consistent with the previous few years.
- Canadian English-language pay and specialty services, including digital, achieved a 28.9% viewing share in 2006. The trending is still going up, but at a slower pace, for viewing to pay and specialty services.

Table 3.3: Viewing share of Canadian and non-Canadian services by language and type of service in the Quebec Franco market

Quebec Franco Market⁽³⁾⁽⁴⁾

BBM/PPM metered data - 2004-05 and 2005-06 television seasons⁽¹⁾
for all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.

Viewing share %	2004- 2005	2005- 2006	02/03 - 05/06 Inc./Dec.
<i>Canadian services</i>			
<i>French-language</i>			
SRC conventional OTA & affiliates	14.7	14.5	-0.3
Private conventional OTA	40.8	40.3	-0.5
Télé-Québec OTA	4.0	3.2	-0.8
Pay & specialty	32.3	33.8	1.5
Digital pay & specialty	0.4	0.9	0.5
Other services ⁽²⁾	0.5	0.4	0.0
Total French-language	92.8	93.2	0.4
<i>English-language⁽⁵⁾</i>			
CBC Montreal (CBMT-TV)	0.5	0.6	0.2
Private conventional OTA	2.1	1.9	-0.2
Pay & specialty (incl. digital)	1.9	1.8	-0.1
Total English-language	4.5	4.4	-0.1
Total Canadian services	97.2	97.6	0.4
<i>Non-Canadian services⁽⁵⁾</i>			
US conventional OTA (incl PBS)	1.4	1.0	-0.4
Pay & specialty	0.8	0.8	0.1
Total non-Canadian services	2.2	1.9	-0.3
Total viewing share	100	100	
Total hours (000,000)	184.9	189.0	4.1

Notes: Minor variances are due to rounding

(1) Television seasons: 2004/05: August 30, 2004 to August 28, 2005; 2005/06: August 29, 2005 to August 27, 2006.

(2) Includes cable services and provincial services.

(3) The Quebec Franco Market consists of all viewing in Quebec by individual who have indicated French as the language most spoken at home.

(4) A change in methodology occurred as of August 30, 2004, when the wireless, passive Portable People Meter (PPM) technology replaced existing wired meter service (PMT) for Quebec (Franco), and diaries for the Montreal (Franco) market.

(5) Based on limited number of English-language and non-Canadian services.

Source: BBM/PPM metered data, BBM InfoSys

- In the Quebec Franco market, French-language CBC, private and Télé-Québec conventional OTA services viewing share decreased 1.6 share points to 58%. French-language pay and specialty services, including digital, improved their position to 34.7%.
- Viewing share to Canadian services in the Quebec Franco market increased slightly in 2005/06.

3. Distribution of viewing by program genre⁴

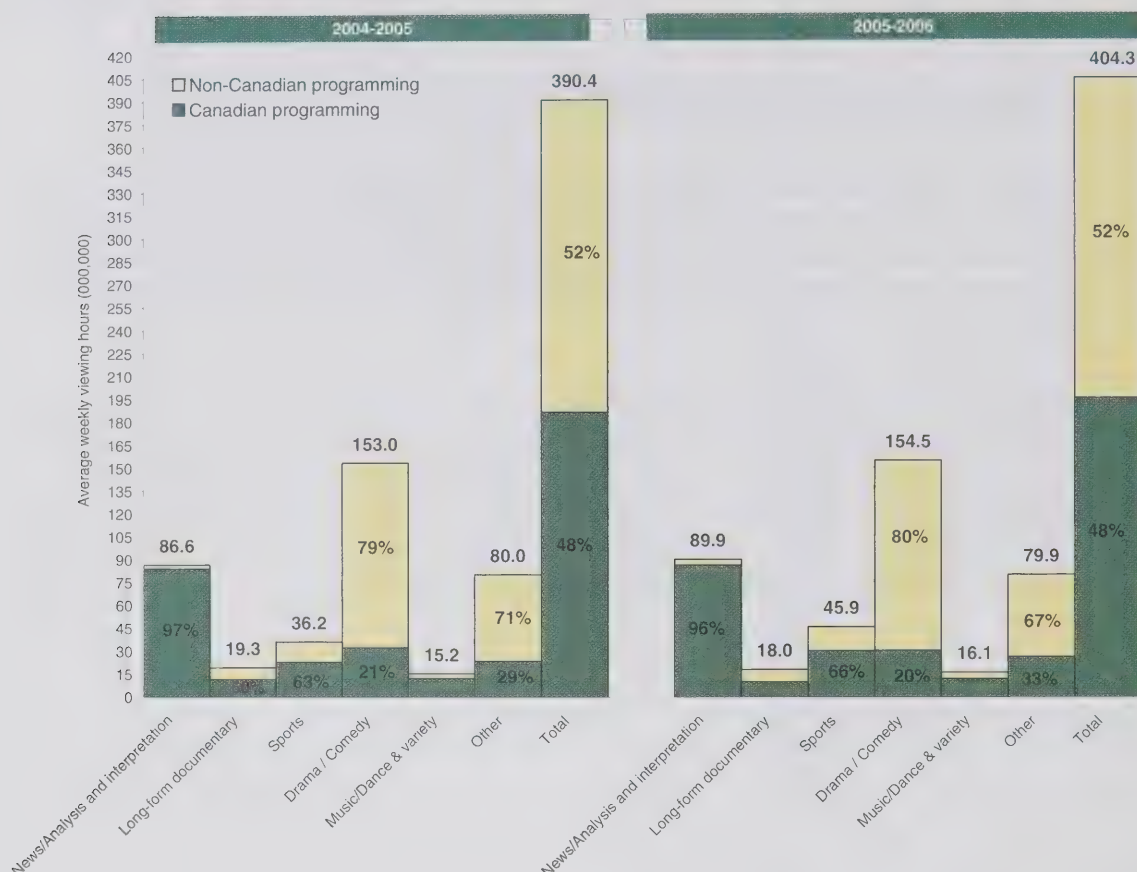
- The following charts reveal the trends in viewing to English- and French-language Canadian television services by program genre. These charts provide the average number of weekly viewing hours to Canadian and non-Canadian programming using BBM-NMR metered audience data for the 2004/05 and 2005/06 television seasons.⁵
- The charts indicate the relative popularity of each genre as well as the viewing of Canadian versus non-Canadian programming offered by Canadian services. Charts 3.2 and 3.6 provide overall viewing trends for all English- and French-language Canadian services. Charts 3.3, 3.4, 3.5, 3.7, 3.8 and 3.9 provide a further breakdown of the viewing trends between Canadian private conventional services, CBC/SRC conventional services and Canadian pay and specialty services.

⁴ Program genre or type is based on the definitions set out in the *Television Broadcasting Regulations, 1987* and *Specialty Services Regulations, 1990*. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat. 11) programs.

⁵ Television season is equal to 52 broadcast weeks: 2004-05 runs from 30 August 2004 to 28 August 2005 and 2005-06 runs from 29 August 2005 to 27 August 2006.

a) English-language Canadian services

Chart 3.2: Viewing of Canadian and non-Canadian programs distributed by English-language Canadian television services by program origin and genre – All Canada, persons 2+, 6 a.m. to 6 a.m. – BBM-NMR metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.

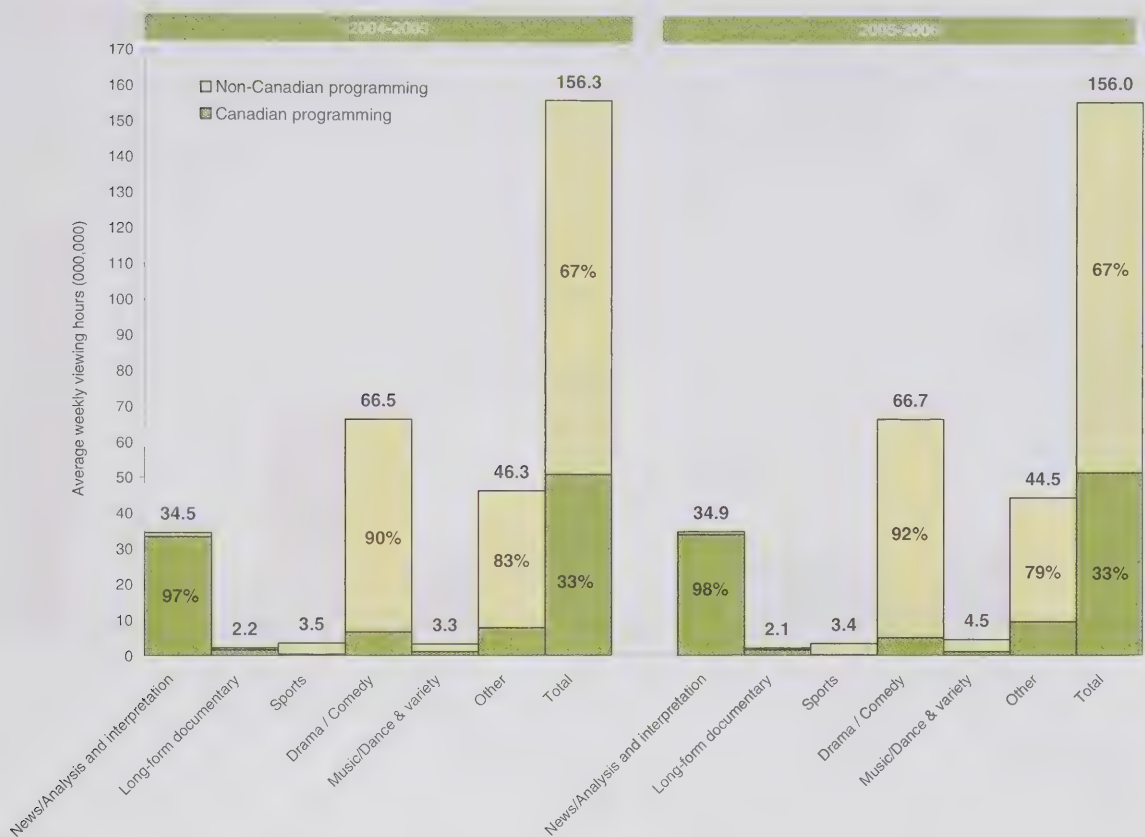
Includes viewing to ethnic stations.

"Other" is principally "General entertainment & human interest" 59% and "Informal education" 25%.

InfoSys (Total hours averaged over 52 weeks)

- The chart reveals the continued popularity of drama/comedy programming broadcast by English services.
- The viewing of Canadian programs on English services differs significantly between genres. Viewing of news and analysis & interpretation programming is predominantly to Canadian programs. In contrast, viewing of drama/comedy and general entertainment & human interest programming is predominantly to non-Canadian programs.
- The overall viewing of Canadian programs on Canadian English-language services in 2005/06 television season was 48% of the total viewing.

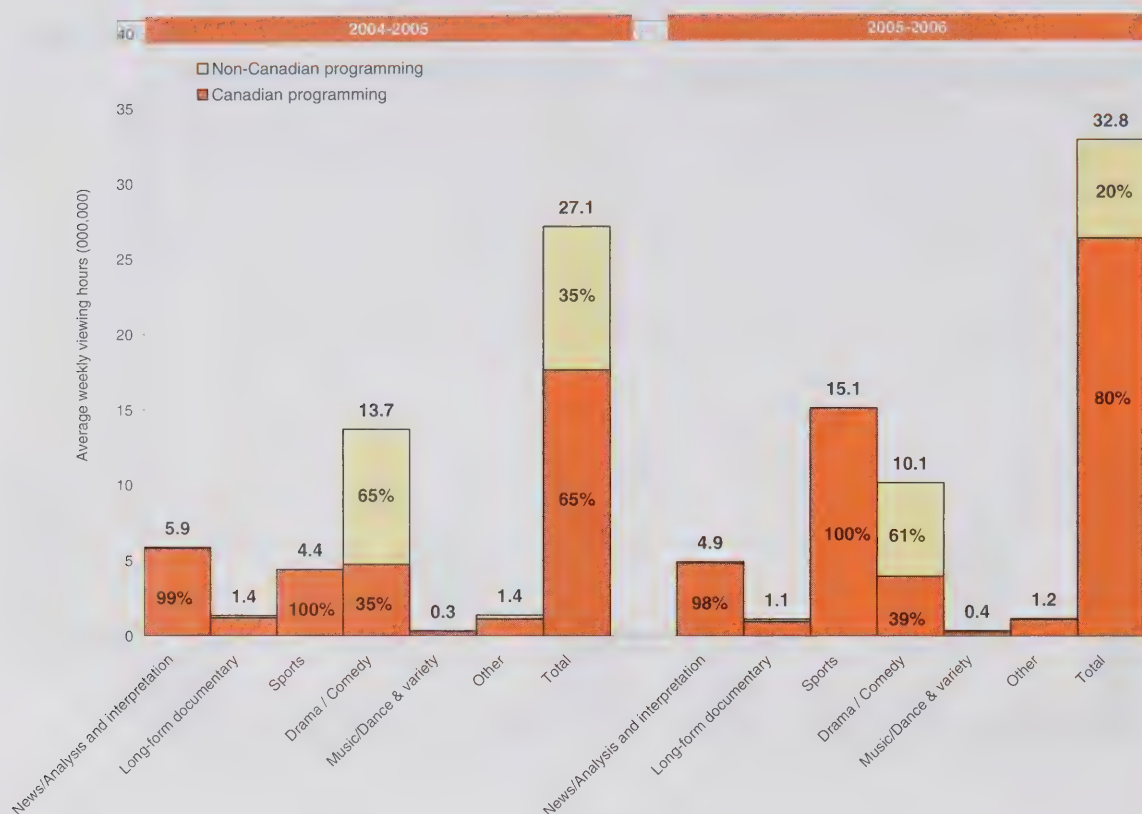
Chart 3.3: Viewing of Canadian and non-Canadian programs distributed by Canadian English-language private conventional services by program origin and genre – All Canada, persons 2+, 6 a.m. to 6 a.m. – BBM-NMR metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.
Includes viewing to ethnic stations.
InfoSys (Total hours averaged over 52 weeks)

- The overall viewing of Canadian programs on English-language private conventional services in 2005/06 television season was 33% of the total viewing.
- Viewing to Canadian drama/comedy programs represented 8% of the total viewing to the genre in 2005-06.

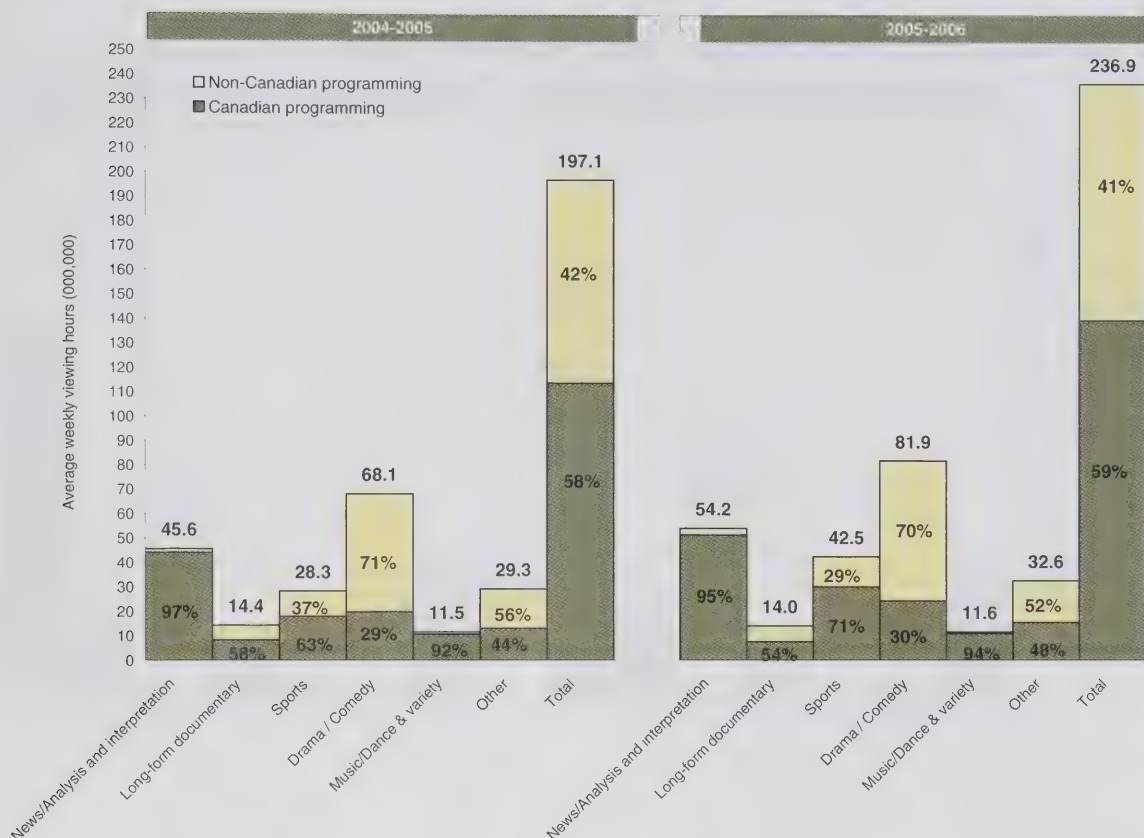
Chart 3.4: Viewing of Canadian and non-Canadian programs distributed by English-language CBC conventional services by program origin and genre – All Canada, persons 2+, 6 a.m. to 6 a.m. – BBM-NMR metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre. InfoSys (Total hours averaged over 52 weeks)

- In the 2005/06 television season, 80% of the overall viewing on CBC English-language conventional services was to Canadian programming.
- Viewing to Canadian drama/comedy programming represented 39% of the total viewing to the genre in 2005/06.

Chart 3.5: Viewing of Canadian and non-Canadian programs distributed by English-language Canadian pay and specialty services by program origin and genre – All Canada, persons 2+, 6 a.m. to 6 a.m. – BBM-NMR metered data – Average weekly hours (000,000)

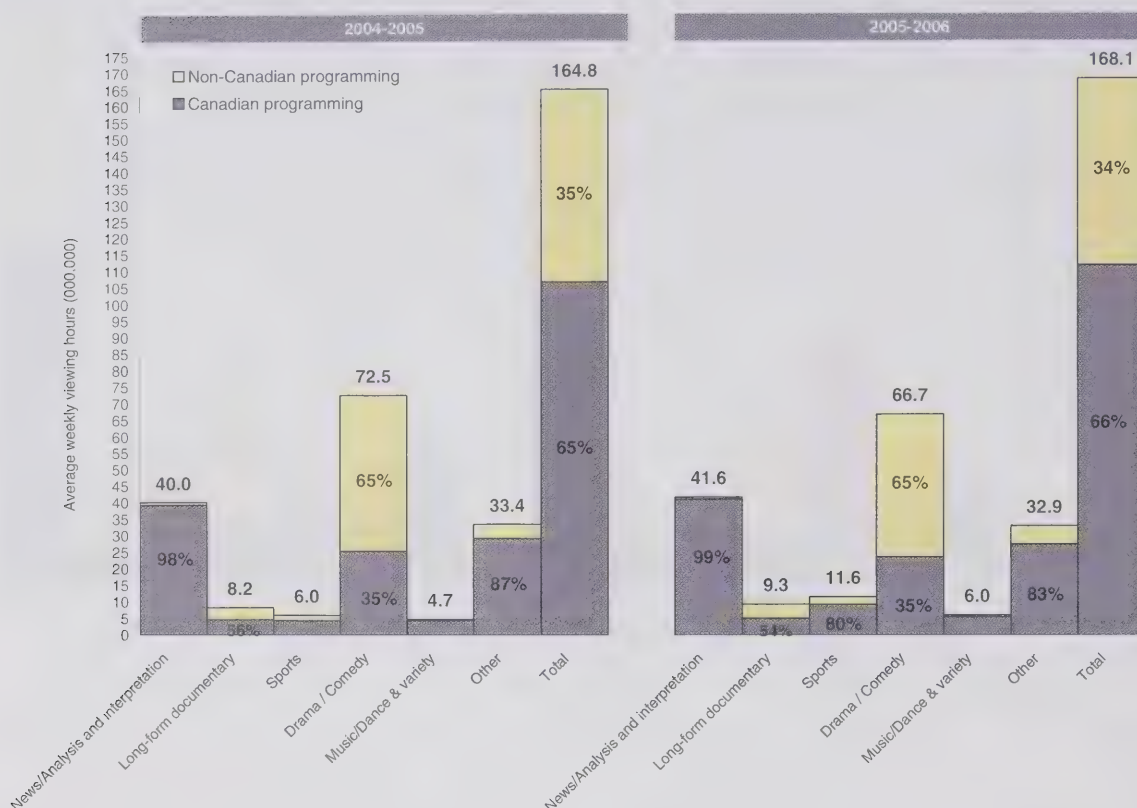


Based on Canadian services with available program level data that incorporates country of origin and program genre. Includes viewing to ethnic and third-language services. Coding of Treehouse TV, Family, TMN and Mpix services started 27 February 2006. The coding of the MTV service began 1 May 2006. InfoSys (Total hours averaged over 52 weeks)

- The overall viewing of Canadian programs on English-language pay and specialty services in 2005/06 television season was 59% of the total viewing.
- The viewing of Canadian drama/comedy programming in 2005/06 was 30% of total viewing to drama/comedy programming.

b) French-language Canadian services

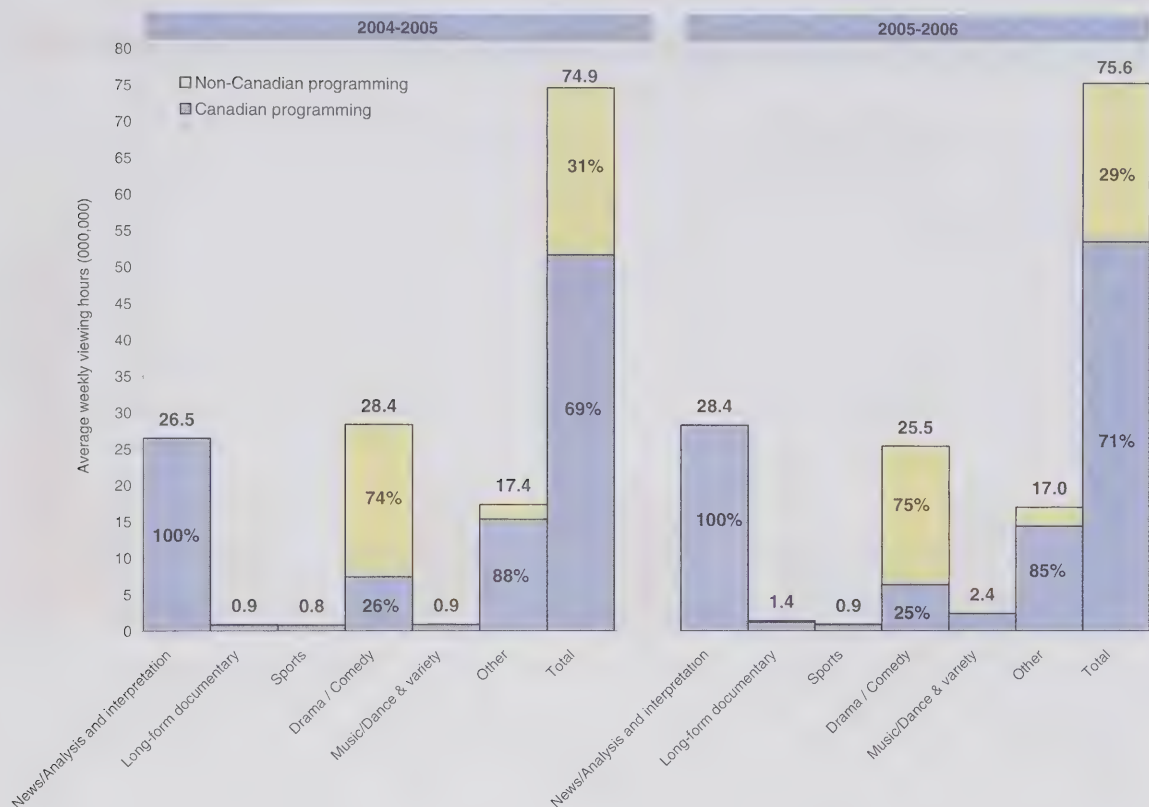
Chart 3.6: Viewing of Canadian and non-Canadian programs distributed by French-language Canadian television services by program origin and genre – Quebec Franco Market, persons 2+, 2 a.m. to 2 a.m. – BBM-PPM metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre. "Other" is principally "General entertainment & human interest" 62% and "Informal education" 20%. InfoSys (Total hours averaged over 52 weeks)

- Drama/comedy programming is the most popular genre on French-language services, followed by news and analysis and interpretation and general entertainment and human interest programming.
- For French services, viewing is predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing is mostly to non-Canadian programming.

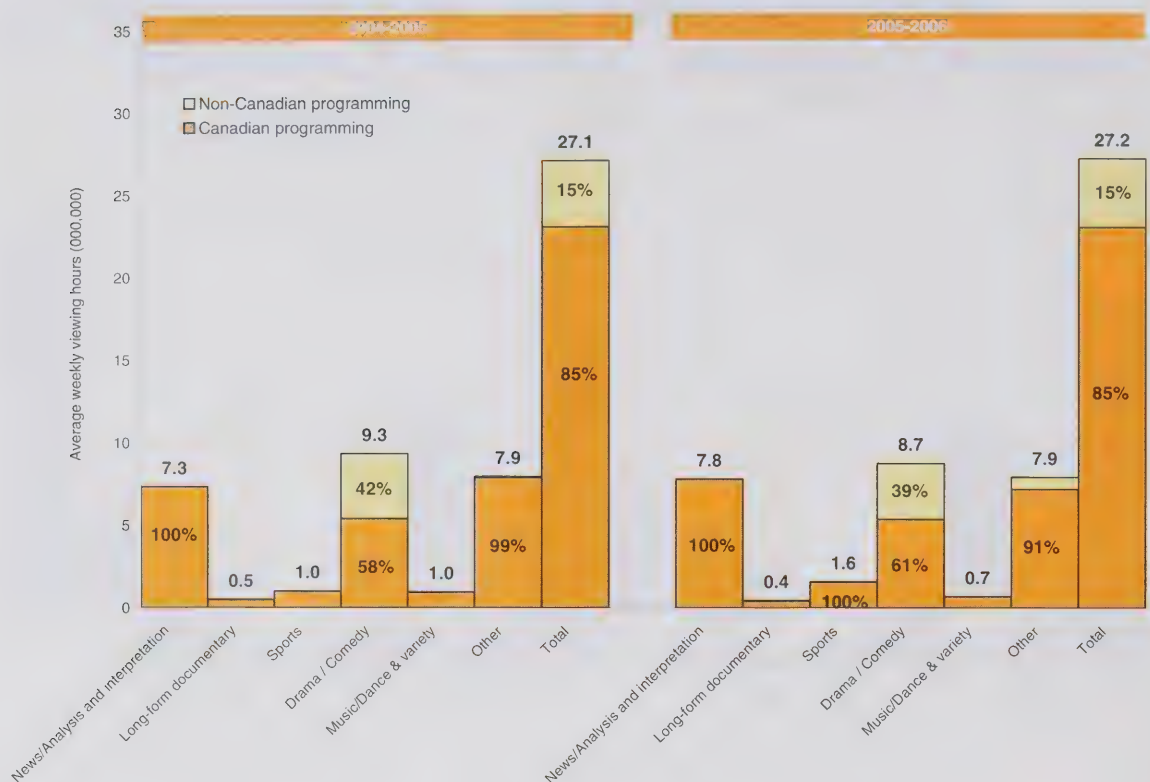
Chart 3.7: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language private conventional OTA television services by program origin and genre – Quebec Franco Market, persons 2+, 2 a.m. to 2 a.m. – BBM-PPM metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre
InfoSys (Total hours averaged over 52 weeks)

- The overall viewing of Canadian programs on French-language private conventional services in 2005/06 television season was 71% of the total viewing.
- Viewing to Canadian drama/comedy programs represented 25% of the total viewing to the genre in 2005-06.

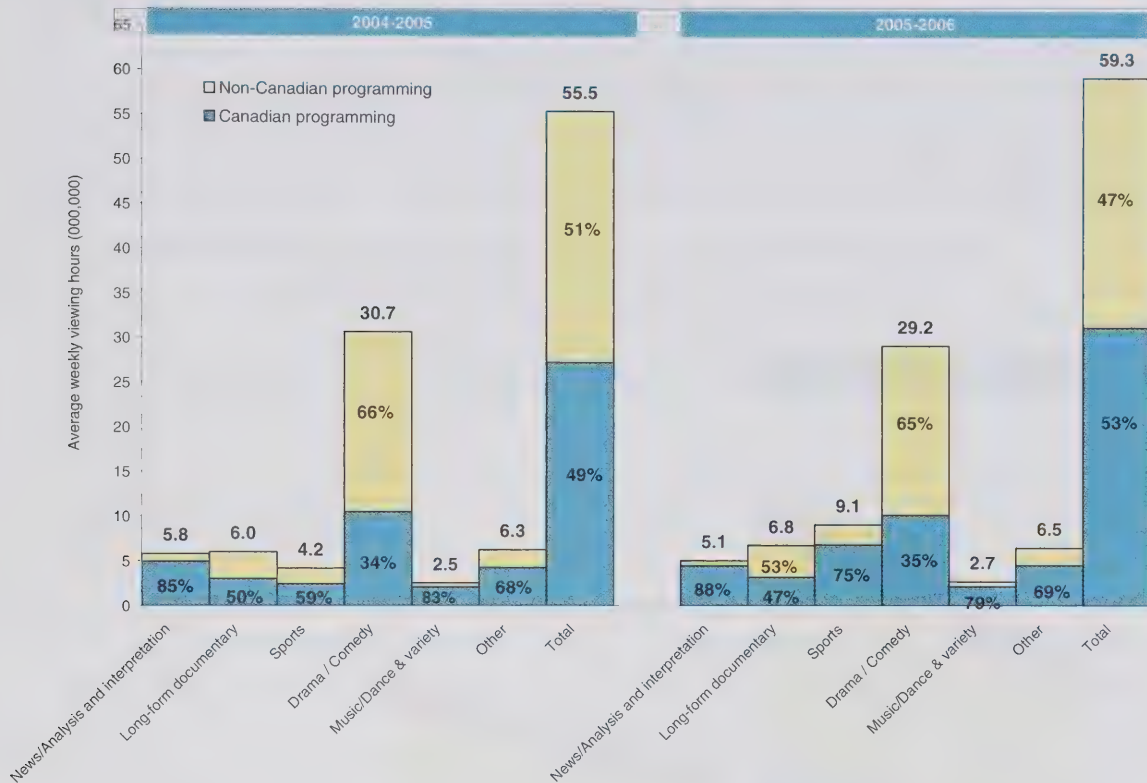
Chart 3.8: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language SRC conventional services by program origin and genre – Quebec Franco Market, persons 2+, 2 a.m. to 2 a.m. – BBM-PPM metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre. InfoSys (Total hours averaged over 52 weeks)

- In the 2005/06 television season, 85% of the overall viewing on CBC French-language conventional services was to Canadian programming.
- Viewing to Canadian drama/comedy programming represented 61% of the total viewing to the genre in 2005/06.

Chart 3.9: Viewing of Canadian and non-Canadian programs distributed by Canadian French-language pay and specialty services by program origin and genre – Quebec Franco Market, persons 2+, 2 a.m. to 2 a.m. – BBM-PPM metered data – Average weekly hours (000,000)



Based on Canadian services with available program level data that incorporates country of origin and program genre.
Coding of SuperÉcran started in July 2004.
InfoSys (Total hours averaged over 52 weeks)

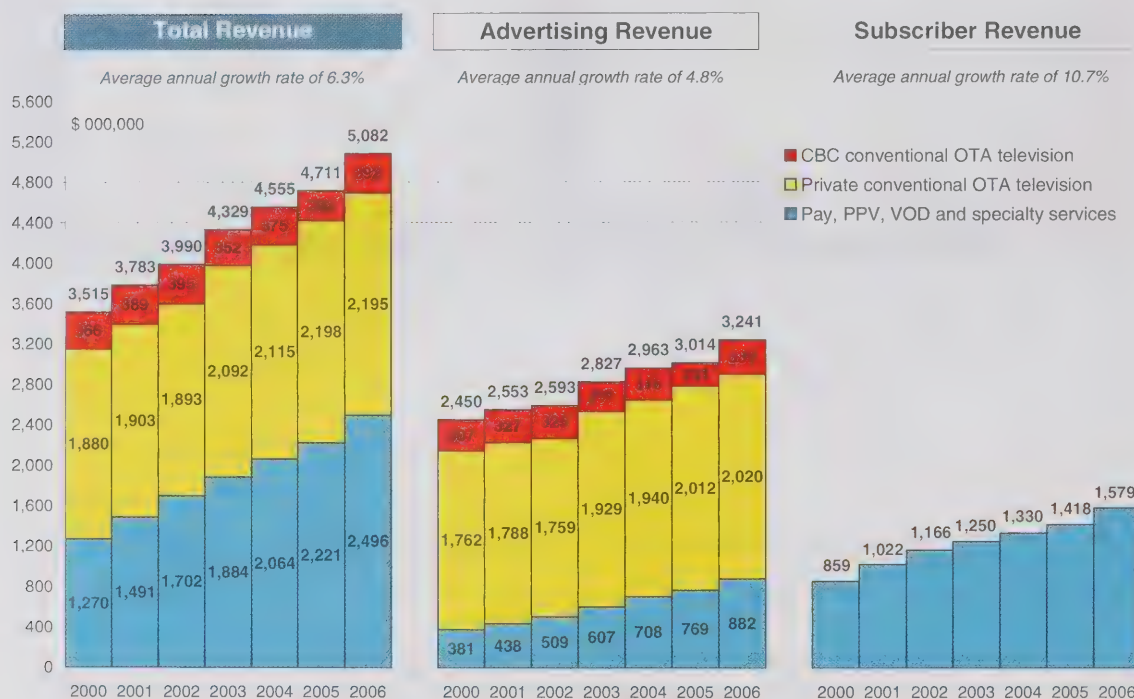
- The overall viewing of Canadian programs on French-language pay and specialty services in 2005/06 broadcast year was 53% of the total viewing.
- The viewing of Canadian drama/comedy programming in 2005/06 was 35% of total viewing to drama/comedy programming.

C. Financial performance⁶

- This section provides a brief overview of the financial performance of the Canadian commercial television industry.⁷
- The following charts and tables show the revenues, profits before interest and taxes (PBIT) and PBIT margins achieved by private conventional OTA television, pay, PPV, VOD and specialty services. Chart 3.10 also includes commercial advertising revenues garnered by CBC conventional OTA television stations.

1. All Canada

Chart 3.10: Television revenues: CBC and private conventional OTA television, pay, PPV, VOD and specialty services



Notes: Advertising revenue includes infomercial sales. Includes CBC commercial revenues only – does not include parliamentary appropriations. Total revenue includes “other revenue”.

Source: CRTC financial database

- The television sector reported revenues totalling \$5.1 billion in 2006. This represents a 7.9% (\$372 million) increase over 2005.

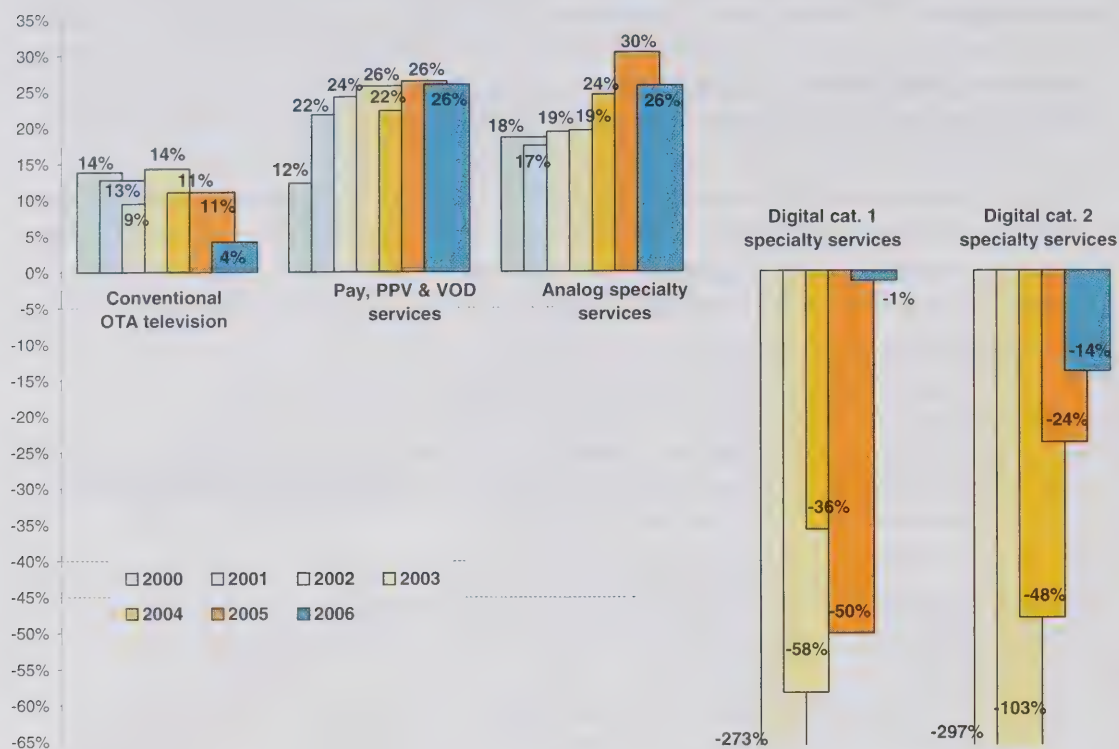
⁶ Based on services reporting to the CRTC for the period September 1st to August 31st.

⁷ Additional statistical and financial information relating to financial performance of the television broadcasting industry is available on the CRTC website for industry. <http://www.crtc.gc.ca/eng/stats.htm>

- Revenues reported by the pay, PPV, VOD and specialty television sector continue to increase annually. Total revenues reported by this sector increased 12.4% (\$275 million) from 2005 to 2006. Since 2000, revenues for this sector have increased by an average of 11.9% per year. The number of services reporting financial results over this same period has also increased from 59 in 2000 to 163 in 2006. This is largely due to the proliferation of digital⁸ services: 49 digital services began reporting financial results in 2002 increasing to 99 in 2006.
- Despite the large number of digital services in operation, total revenues garnered by these services represented only 5% (\$248 million) of total revenues reported by the television sector in 2006. Digital services garnered only 1% (\$32 million) of total advertising revenues and 13% (\$201.5 million) of total subscriber revenues during this same period.
- Subscriber revenue reported by the pay, PPV, VOD and specialty television sector increased 11.3% (\$160.7 million) in 2006 compared to 2005. Since 2000, subscriber revenues garnered by this sector have increased by an average of 10.7% per year.
- Pay, PPV and VOD services rely entirely on subscription revenues. Specialty television services, on the other hand, have both advertising and subscription revenue streams. In 2006, 44% of their total revenue was derived from advertising revenues.
- Advertising revenues reported by the specialty services increased 14.7% (\$113.3 million) in 2006 compared to 2005. Since 2000, advertising revenues garnered by specialty services have increased by an average of 15% per year.
- Revenues reported by the CBC and private conventional OTA television sector increased \$97 million or 3.9% from 2005 to 2006. Since 2000, revenues garnered by this sector have increased by an average of 2.4% per year.
- In 2000, the CBC and private conventional OTA television garnered 64% of total revenues reported by the television sector. In 2006, this percentage has decreased to 51%. Conventional OTA television's advertising revenue share has also decreased from 84% to 73% over the same period.

⁸ Digital services include: specialty digital category 1 (16 in 2002 and 17 in 2006), specialty digital category 2 (33 in 2002 and 70 in 2006), pay digital category 2 (7 in 2006) and VOD (5 in 2006) services.

Chart 3.11: Aggregate PBIT margins achieved by private commercial OTA conventional television, pay, PPV & VOD services, analog, digital category 1 and category 2 specialty services



New PPV service reported first year losses in 2000 is responsible for the combined 12% PBIT margin.

Source: CRTC financial database

- The PBIT reported by the private conventional television sector decreased \$151.2 million (62%) to \$90.9 million from 2005 to 2006. This was mainly due to flat revenue growth combined with a 10% (\$131.5 million) increase in programming expenses. \$75 million of this increase was to non-Canadian programming expenditures.
- The PBIT reported by the combined Pay, PPV and VOD television services increased \$16.8 million (15.6%) to \$124.8 million from 2005 to 2006. The number of Pay, PPV and VOD services reporting financial results also increased from 22 in 2005 to 27 in 2006.
- In 2006 the results for the analog specialty services reflect \$465.9 million in profits, a 7% drop from 2005 returning the PBIT margin for this sector to just above 2004 level. There were 49 analog specialty services reporting financial results 2006. This number has remained the same since 2002.
- The overall profitability of the 17 digital category 1 specialty services improved in 2006. Combined losses for this group decreased almost 100% from \$28.7 million to \$1 million. Most of the services in this group reported improved PBIT or showed reduced losses in 2006.
- The number of digital category 2 specialty services reporting positive PBIT increased from 17 in 2005 to 26 in 2006.

2. 2005 and 2006 financial results for individual specialty, pay, PPV and VOD analog and digital services sorted by type and language

- The following tables show the 2005 and 2006 financial results for individual specialty, pay, PPV and VOD analog and digital services sorted by type and language.

Table 3.4: Financial results for individual specialty analog and digital services – English-language services

(thousands)	2006				2005			
	# of subscr.	Revenues	PBIT	PBIT Margin	# of subscr.	Revenues	PBIT	PBIT Margin
Analog services								
1 BNN - Business News Network	5,139	20,564	4,104	20.0%	4,830	18,920	3,908	20.7%
2 Bravo!	6,529	40,727	11,948	29.3%	6,141	43,658	13,530	31.0%
3 CLT (Canadian Learning Television)	4,648	15,377	6,786	44.1%	4,339	13,293	5,202	39.1%
4 CMT (Country Music Television)	8,387	24,103	8,506	35.3%	8,094	21,518	7,639	35.5%
5 CTV Newsnet	7,962	19,226	1,412	7.3%	7,583	17,665	2,629	14.9%
6 Discovery Channel, The	7,405	85,615	33,148	38.7%	7,057	80,962	33,283	41.1%
7 Food Network Canada	4,882	27,712	8,110	29.3%	4,525	25,118	7,796	31.0%
8 HGTV Canada	6,422	46,716	15,348	32.9%	5,724	42,893	16,336	38.1%
9 History Television, The	6,289	36,306	12,465	34.3%	5,896	33,134	10,570	31.9%
10 MTV Canada (TalkTV)	5,107	8,626	-11,579	-134.2%	4,390	5,101	2,026	39.7%
11 MuchMoreMusic	6,662	19,215	6,783	35.3%	6,480	18,486	6,564	35.5%
12 MuchMusic	7,884	53,254	13,277	24.9%	8,224	54,835	16,048	29.3%
13 Newsworld (non-profit)	10,034	76,773	-3,005	-3.9%	9,709	75,337	10,988	14.6%
14 OLN - Outdoor Life Network	5,571	15,580	5,291	34.0%	5,222	13,857	4,271	30.8%
15 Pulse24 (CP 24)	3,169	11,365	-18	-0.2%	3,056	10,382	-1,274	-12.3%
16 Rogers Sportsnet	8,261	141,517	25,350	17.9%	7,654	109,105	31,571	28.9%
17 Score, The	5,913	28,190	4,606	16.3%	5,666	25,063	3,779	15.1%
18 Showcase	6,685	59,525	13,066	22.0%	6,318	53,943	19,839	36.8%
19 Slice (Life Network, The)	5,869	34,405	-402	-1.2%	5,685	35,510	-2,310	-6.5%
20 SPACE: The Imagination Station	5,785	48,756	18,404	37.7%	5,814	44,238	8,705	19.7%
21 StarTV!	4,739	19,304	5,201	26.9%	4,439	17,609	3,158	17.9%
22 TCN (Comedy Network, The)	5,541	45,122	14,201	31.5%	5,309	45,126	17,100	37.9%
23 Teletoon / Téléttoon *	6,967	81,664	41,202	50.5%	6,498	71,712	36,237	50.5%
24 Treehouse TV	6,671	10,484	4,240	40.4%	6,399	10,238	4,202	41.0%
25 TSN (Sports Network, The)	8,438	201,270	48,582	24.1%	8,104	173,864	72,092	41.5%
26 TVtropolis (Prime TV)	5,754	25,543	4,548	17.8%	5,419	28,116	7,949	28.3%
27 VisionTV (non-profit)	8,725	20,377	1,263	6.2%	8,265	20,621	3,177	15.4%
28 W Network (Women)	6,781	65,671	25,497	38.8%	6,581	57,203	21,125	36.9%
29 Weather / Météomédia *	10,233	44,964	11,813	26.3%	9,809	42,298	12,431	29.4%
30 YTV	8,782	88,634	31,254	35.3%	8,464	83,032	31,045	37.4%
Total analog services		1,416,583	361,405	25.5%		1,292,836	409,614	31.7%
Digital category 1 services								
1 Biography Channel, The	981	4,824	-51	-1.1%	832	4,159	-777	-18.7%
2 Book Television: The Channel	919	3,228	448	13.9%	671	2,833	-138	-4.9%
3 Canadian Documentary Channel, The	981	4,239	-584	-13.8%	871	3,602	-792	-22.0%
4 Country Canada (Land and Sea)	859	3,210	182	5.7%	718	2,743	58	2.1%
5 Discovery Health Network	982	6,088	-1,149	-18.9%	936	4,185	-4,104	-98.1%
6 FashionTelevisionChannel	882	4,016	687	17.1%	789	3,422	-148	-4.3%

Table 3.4 (cont'd)

		2006				2005			
(thousands)		# of subscr.	Revenues	PBIT	PBIT Margin	# of subscr.	Revenues	PBIT	PBIT Margin
7	G4TechTV	945	5,298	384	7.2%	807	4,457	94	2.1%
8	iChannel	835	2,805	-390	-13.9%	713	2,406	-1,729	-71.9%
9	Independent Film Channel, The	1,350	5,992	-985	-16.4%	1,111	5,270	-4,426	-84.0%
10	MentTV	872	4,317	1,188	27.5%	793	3,773	-494	-13.1%
11	Mystery	1,264	5,678	1,148	20.2%	991	4,651	420	9.0%
12	One: The Body, Mind, Body & Spirit Channel	879	3,678	418	11.4%	907	3,612	49	1.4%
13	Razer (MTV Canada)	896	4,704	388	8.2%	804	7,174	-12,149	-169.3%
14	travel + escape (CTV Travel)	763	4,180	-14	-0.3%	648	3,927	612	15.6%
Total digital category 1 services			62,256	1,668	2.7%		56,213	-23,523	-41.8%
Digital category 2 services									
1	Animal Planet	1,222	4,295	532	12.4%	1,204	3,862	248	6.4%
2	AOV Maleflicxxx (AOVMF)	1	130	-17	-12.8%	1	50	-41	-81.4%
3	AOV Movie (Adult)	2	141	-136	-96.5%	2	72	-105	-145.4%
4	AOV XXX Action Clips	1	101	-167	-164.6%	1	63	-108	-172.0%
5	BBC Canada	1,075	6,333	-513	-8.1%	931	5,198	-1,733	-33.3%
6	BBC Kids	1,050	4,591	-2,081	-45.3%	990	3,762	-2,270	-60.3%
7	BITE Television (Short TV)	97	446	-151	-34.0%	66	115	-223	-193.7%
8	BPM:TV	528	746	-271	-36.3%	507	669	-287	-42.8%
9	CGTV Canada (Gaming Channel, The)	1,800	837	-2,132	-254.7%	-	-	-	-
10	Christian Channel (The)	-	1,296	-794	-61.3%	-	-	-	-
11	Cool TV	152	627	-1,052	-167.7%	86	228	-2,157	-948.0%
12	CourtTV Canada	1,359	5,543	1,951	35.2%	1,083	5,161	1,081	21.0%
13	DejaView	1,022	3,907	-772	-19.8%	875	3,575	-188	-5.3%
14	Discovery Civilization Channel	977	3,091	196	6.4%	809	2,594	-378	-14.6%
15	Discovery HD	140	152	-107	-70.3%	-	-	-	-
16	Discovery Kids	996	3,103	-86	-2.8%	887	2,656	-271	-10.2%
17	Drive-In Classics	1,297	3,114	984	31.6%	789	2,261	217	9.6%
18	ESPN Classics Canada	758	2,296	-144	-6.3%	572	1,888	-492	-26.0%
19	Fine Living	607	3,096	513	16.6%	54	825	-1,319	-160.0%
20	Fox Sports World Canada	885	3,485	-477	-13.7%	667	2,733	-1,591	-58.2%
21	Gol TV (Soccer net, The)	1,700	71	-2,469	-3,454%	-	-	-	-
22	HPItv (Racing Network, The)	370	1,424	-830	-58.3%	289	1,104	-1,163	-105.4%
23	Hustler TV	41	2,846	620	21.8%	36	2,008	286	14.3%
24	Leafs TV	223	3,837	-3,759	-98.0%	107	927	-3,438	-371.0%
25	Lonestar	1,031	4,256	1,164	27.4%	869	3,750	760	20.3%
26	Moviola	910	3,029	202	6.7%	685	2,403	353	14.7%
-	MSNBC Canada	no longer in operation				-	317	-109	-34.4%
27	MuchLoud	265	538	-58	-10.8%	154	396	-290	-73.4%
28	MuchMoreRetro	271	559	174	31.1%	156	217	-41	-19.1%
29	MuchVibe	581	918	20	2.2%	511	900	12	1.4%
30	National Geographic	1,123	5,643	-3,778	-66.9%	908	4,284	-2,463	-57.5%
31	NHL Network, The	785	6,007	1,268	21.1%	581	4,183	186	4.4%
32	Oasis HD	120	208	-348	-167.7%	-	-	-	-
33	Pet Network, The	76	267	-213	-79.5%	40	37	-280	-756.8%
34	PunchMuch	526	899	-190	-21.1%	397	596	-518	-87.0%
35	Raptors NBA-TV	531	3,923	-897	-22.9%	415	2,785	-1,963	-70.5%
36	Red light District TV	5	942	110	11.7%	1	649	35	5.4%
37	Scream	1,194	5,208	595	11.4%	1,070	3,620	-350	-9.7%
38	SexTV: The Channel	1,157	2,272	-116	-5.1%	617	2,103	-640	-30.5%
39	Showcase Action	1,491	8,435	2,259	26.8%	1,262	7,726	-850	-11.0%
40	Showcase Diva	1,413	7,462	1,167	15.6%	1,159	6,759	-2,137	-31.6%
41	Silver Screen Classics	189	873	90	10.3%	36	359	87	24.4%
42	TFN-Fight (Fight Network)	173	538	-2,933	-545.0%	-	-	-	-

Table 3.4 (cont'd)

(thousands)	2006				2005			
	# of subscr.	Revenues	PBIT	PBIT Margin	# of subscr.	Revenues	PBIT	PBIT Margin
43 Treasure HD	120	208	-289	-139.35	-	-	-	-
44 TV Land	1,045	3,944	67	1.7%	929	3,259	-571	-17.5%
45 Wild TV	21	473	144	30.4%	-	-	-	-
46 WFN-TV (World Fishing Ntwk)	1,300	19	-2,608	-13,468%	-	-	-	-
47 Xtreme Sports	782	2,926	405	13.9%	592	2,258	-820	-36.3%
Total digital category 2 services		115,054	-14,923	-13.0%	-	86,351	-23,530	-27.2%
Total English-language specialty services		1,593,894	348,149	21.8%	-	1,435,400	362,562	25.3%

*Includes bilingual services

Source: CRTC financial database

Table 3.5: Financial results for individual specialty analog and digital services – French-language services**

(thousands)	2006				2005			
	# of subscr.	Revenues	PBIT	PBIT Margin	# of subscr.	Revenues	PBIT	PBIT Margin
Analog services**								
1 ARTV	1,865	13,096	153	1.2%	1,690	12,751	363	2.9%
2 Canal D	2,347	29,267	15,938	54.5%	2,217	27,464	12,913	47.0%
3 Canal Évasion	1,626	6,905	1,336	19.3%	1,395	6,474	1,316	20.3%
4 Canal Vie	2,016	36,245	17,871	49.3%	1,850	34,761	15,129	43.5%
5 Historia	1,639	11,648	3,247	27.9%	1,402	10,543	2,165	20.5%
6 LCN - Le Canal Nouvelles	1,974	19,730	6,414	32.5%	1,793	18,201	5,566	30.6%
7 Musimax	1,907	9,427	933	9.9%	1,748	9,417	1,063	11.3%
8 MusiquePlus	2,332	19,047	2,817	14.8%	2,192	18,251	3,200	17.5%
9 RDI - Réseau de l'information (non-profit)	8,998	45,839	422	0.9%	9,379	44,791	-2,449	-5.5%
10 RDS - Réseau des Sports	2,514	86,938	18,368	21.1%	2,338	68,258	21,894	32.1%
11 Séries+	1,638	20,910	10,946	52.3%	1,399	20,531	10,089	49.1%
12 TV5 (non-profit)	6,495	12,945	13	0.1%	6,302	12,766	133	1.0%
13 VRAK-TV	2,433	17,681	5,972	33.8%	2,309	16,876	5,860	34.7%
14 Ztélé	1,637	15,345	4,461	29.1%	1,405	13,495	2,152	15.9%
Total analog services		345,024	88,889	25.8%	37,418	314,580	79,394	25.2%
Digital category 1 services								
1 ARGENT	471	1,394	-2,273	-163.0%	-	284	-1,664	-586.7%
2 Mystère	201	1,285	-1,954	-152.1%	-	321	-2,586	-804.6%
3 RIS Info Sports	785	4,725	1,587	33.6%	479	630	-972	-154.4%
Total digital category 1 services		7,404	-2,640	-35.7%	-	1,235	-5,223	-423.0%
Digital category 2 services								
1 Avis de Recherche	600	16	-294	-1,817%	500	61	-234	-381.6%
2 Prise 2 (Nostalgie)	198	389	-1,342	-344.9%	-	-	-	-
Total digital category 2 services	-	405	-1,636	-403.6%	-	61	-234	-381.6%
Total French-language specialty services	-	352,834	84,614	24.0%	-	315,876	73,937	23.4%

**Financial results for bilingual services *Météomédia* and *Télétoon* are reported with *Weather* and *Teletoon* English-language services. Source: CRTC financial database

Table 3.6: Financial results for individual specialty analog and digital services – Ethnic and third-language services

(thousands)	2006				2005			
	# of subscr.	Revenues	PBIT	PBIT Margin	# of subscr.	Revenues	PBIT	PBIT Margin
Analog services								
1 Asian Television Network (ATN/SATV)	68	5,020	1,120	22.3%	49	3,347	854	25.5%
2 Fairchild TV	363	28,143	5,360	19.0%	359	25,739	5,595	21.7%
3 Odyssey	16	1,623	561	34.6%	13	1,338	132	9.8%
4 Talentvision	247	4,805	-309	-6.4%	227	4,472	-464	-10.4%
5 Telelatino	3,424	19,347	8,930	46.2%	3,532	15,192	5,673	37.3%
Total analog services	-	58,939	15,662	26.6%	-	50,088	11,789	23.5%
Digital category 2 services								
1 All TV	7	765	9	1.2%	7	1,187	125	10.5%
2 Festival Portuguese Television	9	1,369	176	12.9%	6	1,124	-313	-27.8%
3 SSTV	10	680	35	5.2%	9	601	30	5.0%
4 ABU Dhabi TV (Arabic TV)	2	102	-99	-97.3%	2	52	-137	-266%
5 ATN Alpha ETC Punjabi	12	470	182	38.7%	9	625	160	25.5%
6 ATN ARY (ATN Urdu)	7	470	125	26.6%	6	399	102	25.5%
7 ATN Tamil Channel (Jaya TV)	4	133	-52	-39.1%	2	168	43	25.5%
8 ATN Zee Gujarati	1	37	10	28.4%	-	-	-	-
9 Channel 5 (InterTv)	2	86	-110	-127.9%	1	42	-172	-410.1%
10 ERT sat (Odyssey II)	9	611	-75	-12.2%	7	525	-23	-4.4%
11 Israeli Network, The	3	112	-55	-49.2%	-	-	-	-
12 ITN-Iran TV Network	0	-	-10	-	-	-	-	-
13 Leonardo World Canada	1	38	-73	-190.2%	-	-	-	-
14 Mabuhay Channel, The	2	116	-89	-76.8%	2	48	-145	-301.7%
15 ProSieBenSat.1 (German TV)	1	24	-32	-131.6%	-	-	-	-
16 RTVi (Russian TV1)	5	575	172	30.0%	5	297	-1	-0.4%
17 RTVi+ (RussianTV2)	2	201	-21	-10.3%	2	61	-115	-187.5%
18 Salt & Light*	-	1,837	-414	-22.5%	-	3,774	1,471	39.0%
19 SBTN (Vietnamese TV)	2	115	-89	-77.6%	2	44	-144	-324.3%
20 Sky TG24 Canada (Network Italia)	2	42	-103	-248.4%	0	-	-138	-
- Tamil1	-	-	-	-	-	991	247	24.9%
21 Video Italia Canada	1	38	-57	-147.7%	0	-	-82	-
Total digital category 2 services	-	7,819	-568	-7.3%	-	9,939	907	9.1%
Total Ethnic and third-language specialty services	-	66,758	15,094	22.6%	-	60,027	12,696	21.2%

*In October 2006 the Commission approved an application to amend Salt & Light's nature of service from a national ethnic category 2 specialty television service to a national English-language category 2 specialty television service (Broadcasting Decision CRTC 2006-608).

Source: CRTC financial database

Table 3.7: Financial results of individual Pay, PPV and VOD services

		Language	2006				2005			
			# of subscr.	Revenues	PBIT	PBIT Margin	# of subscr.	Revenues	PBIT	PBIT Margin
(thousands)										
Pay services										
1	Encore Avenue	e	372	9,856	6,289	63.8%	340	8,713	1,827	21.0%
2	Family Channel, The	e	5,323	48,687	16,506	33.9%	5,022	46,360	16,220	35.0%
3	MovieCentral	e	826	82,616	22,427	27.1%	748	74,662	26,178	35.1%
4	Mpix (Moviepix!)	e	1,395	21,046	10,810	51.4%	1,244	18,801	8,939	47.5%
5	Super Écran	f	510	51,492	15,453	30.0%	479	47,423	12,558	26.5%
6	TMN (Movie Network)	e	1,081	109,820	25,836	23.5%	1,026	100,874	22,413	22.2%
7	ATN Aashta	2 m	2	34	-5	-14.2%	-	-	-	-
8	ATN Asian Sports Network (ASN)	2 e	1	11	-9	-85.6%	-	-	-	-
9	ATN B4U Movie	2 m	16	577	3	0.6%	17	1,126	287	25.5%
10	ATN Bangla	2 m	1	42	3	6.2%	-	-	-	-
11	ATN Caribbean (CBN)	2 m	9	494	283	57.3%	2	267	68	25.5%
12	ATN Zee Cinema	2 m	3	50	-27	-54.2%	-	-	-	-
13	CINÉPOP	2 f	192	352	-1,399	-397%	-	-	-	-
Total pay services			-	325,078	96,171	29.6%	-	298,225	88,489	29.7%
PPV services – Terrestrial (T) and DTH										
1	Bell ExpressVu (DTH)	b		41,274	11,455	27.8%		30,268	5,177	17.1%
2	Breakaway (T & DTH)	e		5,851	-	-		6	-	-
3	Canal Indigo (T & DTH)	f		4,945	-274	-5.6%		4,345	-1,016	-23.4%
4	PPV Sports (T)	e		6,241	45	0.7%		2,754	-787	-28.6%
5	Shaw PPV (T & DTH)	e		20,615	4,181	20.3%		18,018	3,402	18.9%
6	Viewer's Choice Canada (T & DTH)	e		24,692	7,435	30.1%		24,904	6,390	25.7%
Total PPV services				103,618	22,841	22.0%		80,293	13,166	16.4%
VOD services										
1	Illico sur demande	b		8,042	-1,801	-22.4%		6,030	-54	-0.9%
2	Max Front Row	e		897	-160	-17.8%		414	-61	-14.8%
3	Rogers on Demand	b		30,209	1,104	3.7%		20,571	4,747	23.1%
4	Videon CableSystem	b		14,337	9,715	67.8%		4,228	2,792	66.0%
5	TELUS Communications	b		144	-3,064	-2,130%		33	-1,096	-3,371%
Total VOD services				53,629	5,795	10.8%		31,276	6,328	20.2%
Total Pay, PPV and VOD services				482,325	124,807	25.9%		409,795	107,983	26.4%

e = English-language service, f = English-language service; m = ethnic or third-language service; b = bilingual service;
 2 = digital category 2 pay service
 Source: CRTC financial database

Table 3.8: Financial results for specialty, pay and PPV analog and digital services – summary totals

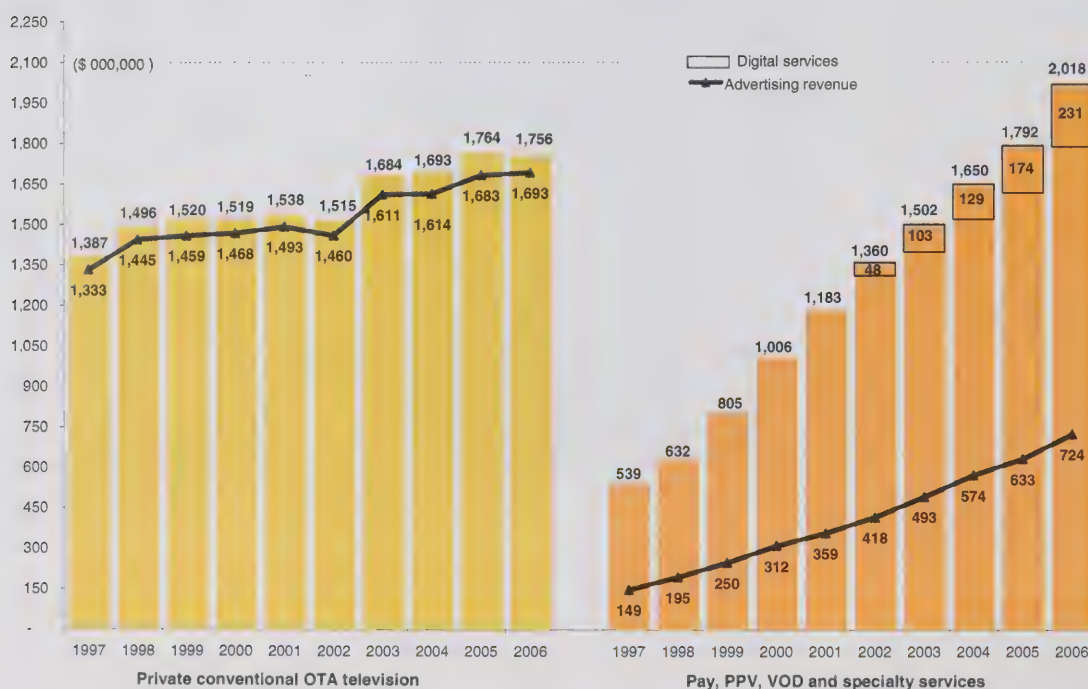
	2006				2005			
	Number of units reporting	Revenues (\$000)	PBIT (\$000)	Margin	Number of units reporting	Revenues (\$000)	PBIT (\$000)	Margin
Specialty analog	49	1,820,547	465,956	25.59%	49	1,657,504	500,797	30.21%
Specialty digital category 1	17	69,660	-972	-1.40%	17	57,448	-28,746	-50.04%
Specialty digital category 2	70	123,279	-17,127	-13.89%	57	96,351	-22,856	-23.72%
Total specialty	136	2,013,486	447,857	22.24%	123	1,811,302	449,195	24.80%
Pay, PPV and VOD services	27	482,325	124,807	25.88%	22	409,795	107,983	26.35%
Total specialty, pay, PPV and VOD services	163	2,495,811	572,664	22.95%	145	2,221,097	557,178	25.09%

Source: CRTC financial database

3. Financial results by language of service

a) English-language private conventional OTA television, pay, PPV, VOD and specialty services

Chart 3.12: Revenues of English-language private conventional OTA television and pay, PPV, VOD & specialty services

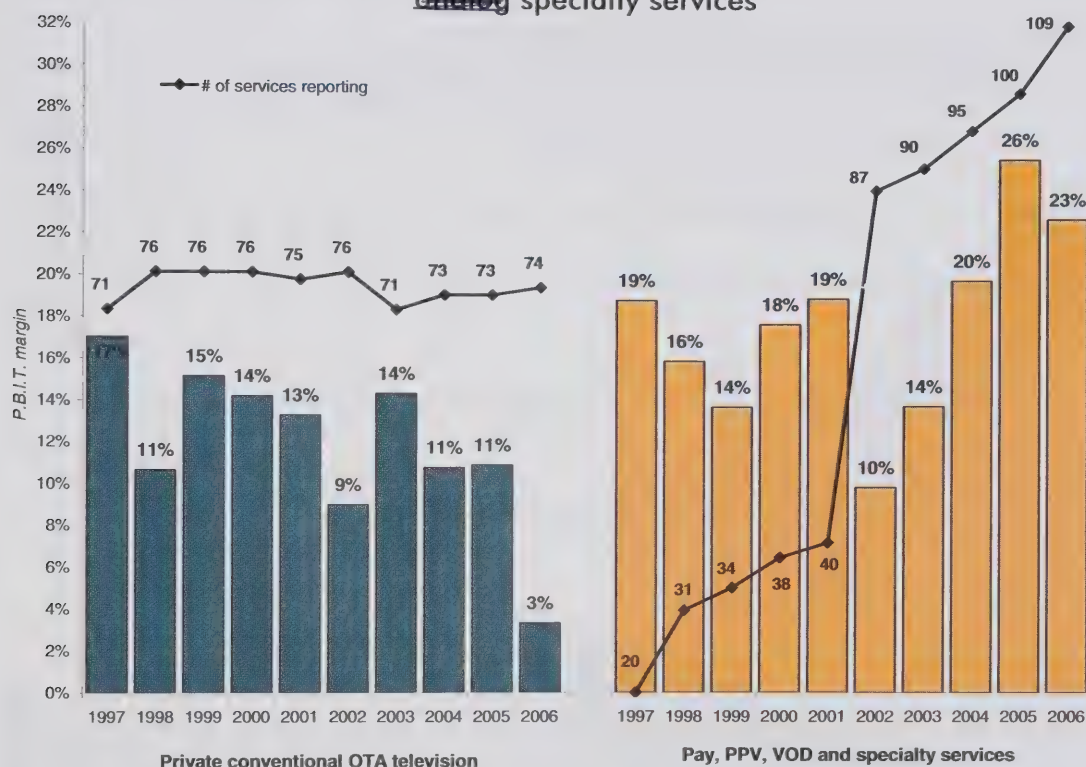


Notes: Private conventional OTA television includes revenues from ethnic conventional OTA television stations as a significant portion of their revenues are derived from English-language programs. The financial results of ethnic and third-language pay and specialty services are shown in a separate chart. Bilingual services are combined with English-language Pay, PPV, VOD and specialty services. Private conventional OTA television and Pay, PPV, VOD and specialty revenues have been updated to reflect current August 31 aggregate results.

Source: CRTC financial database

- English-language private conventional OTA television sector revenues held at 2005 levels. Advertising revenues also held at 2005 levels over the same period.
- Total revenues reported by the English-language pay, PPV, VOD and specialty services increased 12.6% (\$226.2 million) from 2005 to 2006. Advertising and subscription revenues also increased 14.5% (\$91.6 million) and 11.7% (\$133.4 million) respectively.

Chart 3.13: Aggregate PBIT⁹ margins of English-language private conventional OTA television & pay, PPV, VOD and specialty services



Notes: Private conventional OTA television includes ethnic conventional OTA television stations, as a significant portion of their revenues are derived from English-language programming. The financial results of ethnic and third-language pay and specialty services are reported in a separate chart. Bilingual services are combined with English-language Pay, PPV and specialty services. Private conventional OTA television and Pay, PPV and specialty results have been updated to reflect current August 31 aggregate results.

In 2003, CTV sold six of its conventional television stations to the CBC (CKNC-TV, CFCL-TV, CJIC-TV, CHNB-TV, CKBI-TV and CKOS-TV). Two new conventional television stations (OMNI-2 Toronto and Channel M, CHNM-TV Vancouver) began reporting in 2003, CKXT-TV Toronto began reporting in 2004 and CIIT-TV Winnipeg began reporting in 2006.

English-language digital services began reporting in 2001/02 broadcast year.

Source: CRTC financial database

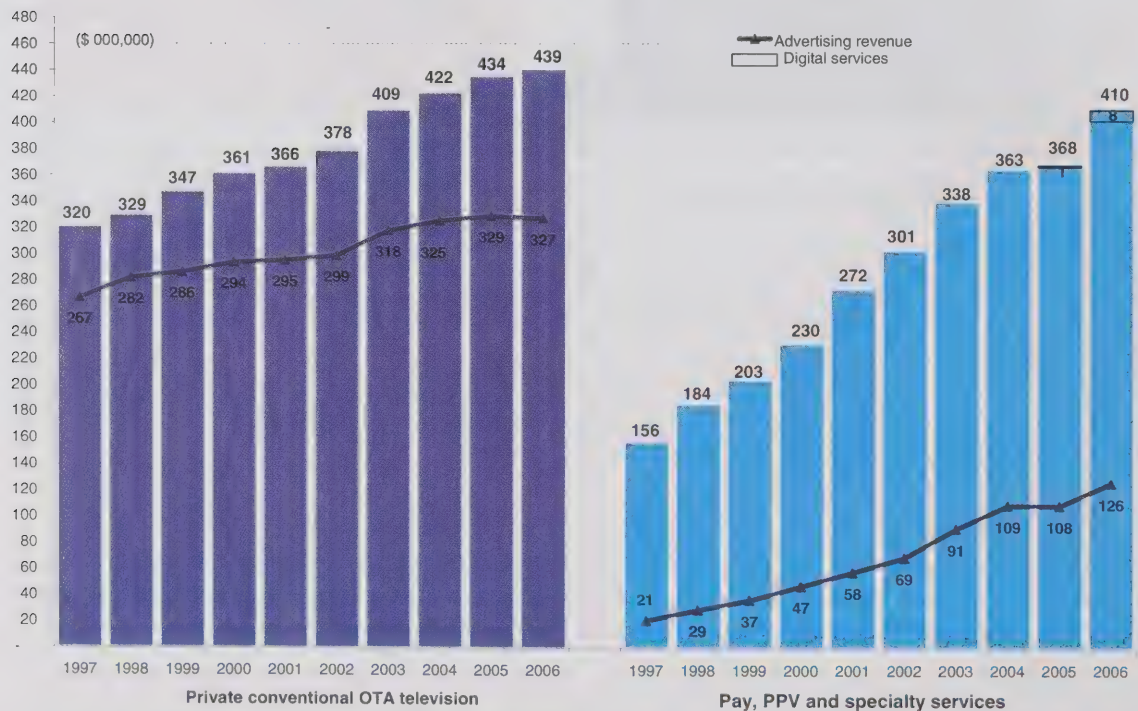
- The drop in profitability in 1998 for private conventional OTA television stations was due to five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn.

⁹ Profit before interest & taxes (PBIT)

- Flat revenue growth combined with a 9.4% increase in programming expenditures contributed to the overall decline in PBIT margin reported by English-language private conventional OTA television stations in 2006. Expenditures on Canadian and non-Canadian English-language programming increased 4.6% and 12.9% respectively from 2005 to 2006.
- The number of pay, PPV, VOD and specialty services has been climbing steadily over the past several years. The introduction of 11 new analog services in 1998 caused the aggregate PBIT margin decrease in 1998 and 1999. 46 digital services began reporting financial results in 2002. This number has increased to 67 in 2006.
- The 2006 pay, PPV, VOD & specialty results reflect:
 - \$110.8 million in profits from the pay, PPV and VOD services with a combined PBIT margin of 26.1%. Profits from this group increased 15% from 2005.
 - \$361.4 million in profits from the analog specialty services with a PBIT margin of 25.5%.
 - \$1.7 million in profits from the digital category 1 specialty services with a PBIT margin of 2.7%.
 - \$14.9 million in losses from the digital category 2 specialty services with a PBIT margin of -13%.

b) French-language private conventional, pay, PPV and specialty services

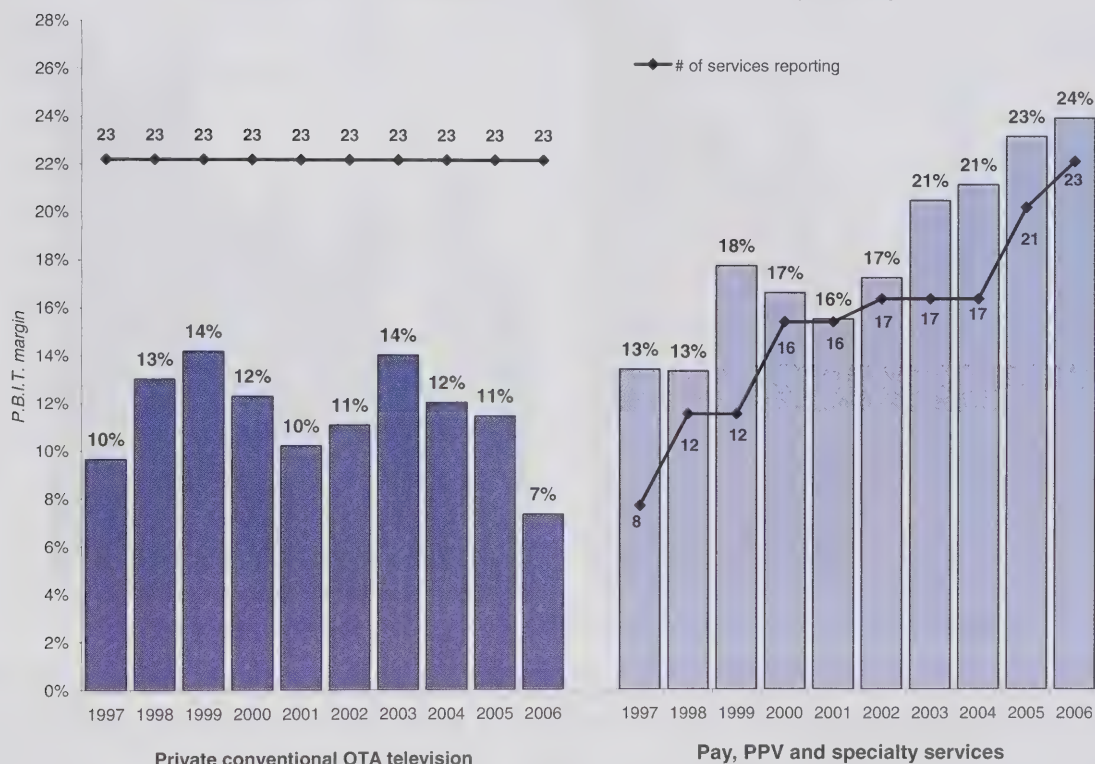
Chart 3.14: Revenues of French-language private conventional OTA television & pay, PPV and specialty services



Notes: Excludes bilingual services. Private conventional OTA television and Pay, PPV and specialty results have been updated to reflect current August 31 aggregate results. French-language digital services began reporting in 2004/05 broadcast year.
Source: CRTC financial database

- French-language private conventional OTA television sector revenues have held at 2005 levels. The number of stations has remained unchanged since 1993.
- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1997, the number of these services has increased from eight to 23 in 2006. In 2005, four digital specialty services reported first-year revenues totalling \$1.3 million. This number has increased to 6 digital services with revenues totalling \$8.2 million in 2006.
- Since 2000, advertising revenues garnered by French-language pay, PPV and specialty services have increased by an average of 17.8% per year.

Chart 3.15: Aggregate PBIT margins of private French-language conventional OTA television & pay, PPV and specialty services



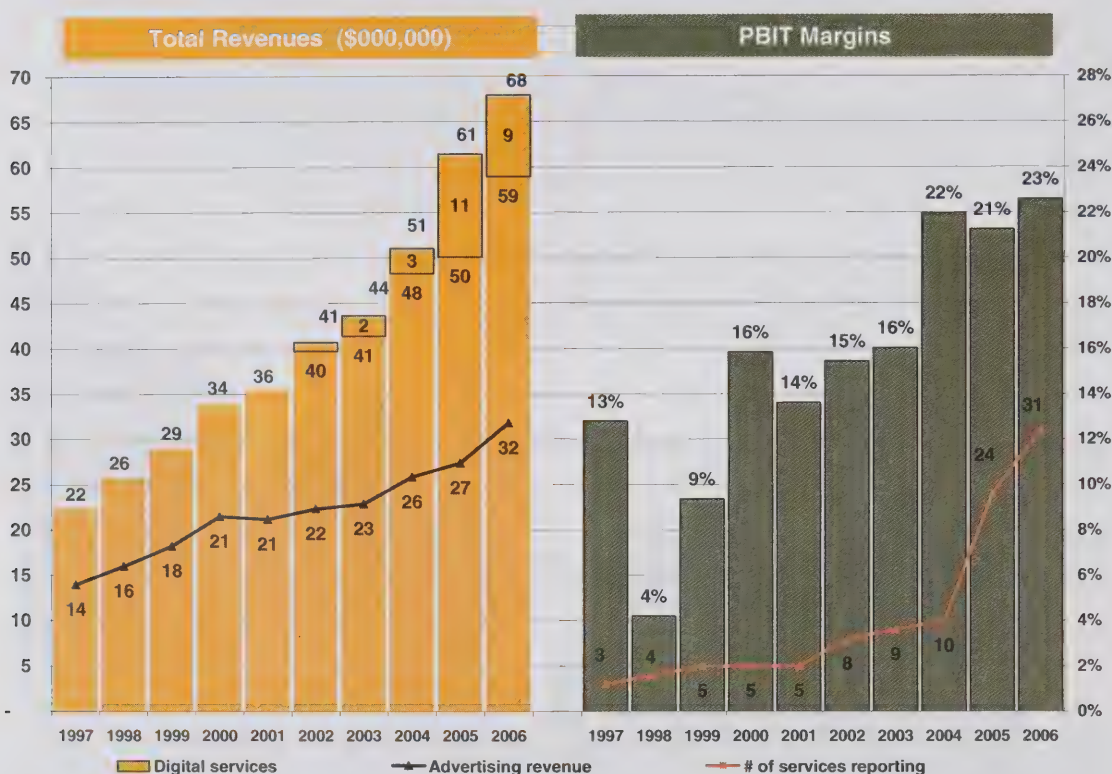
Notes: Excludes bilingual services. Private conventional OTA television and Pay, PPV and specialty results have been updated to reflect current August 31 aggregate results. French-language digital services began reporting in 2004/05 broadcast year.
Source: CRTC financial database

- Flat revenue growth combined with a 13% increase in programming expenditures contributed to the overall decline in PBIT margin reported by French-language private conventional OTA television stations in 2006. Expenditures on Canadian French-language programming increased 17.1 million, or 11% from 2005 to 2006. Expenditures on non-Canadian programming represented only 8% of their total programming expenditures.
- The 2006 pay, PPV and specialty results reflect:
 - \$88.9 million in profits from the analog specialty services with a PBIT margin of 25.8%. Profits from this group increased 12% from 2005.

- \$13.8 million in profits from the pay and PPV services with a combined PBIT margin of 24.3%. Profits from this group increased 19% from 2005.
- \$4.3 million in losses from the digital category 1 and 2 specialty services with a combined PBIT margin of - 54.7%

c) Ethnic & third-language pay and specialty services

Chart 3.16: Revenues and aggregate PBIT margins of ethnic and third-language pay and specialty services



Notes: Results have been updated to reflect current August 31 aggregate results. The 2006 financial results are also restated to correct a language code posting error in the CRTC's financial database. The World Fishing Network, an English-language digital category 2 specialty service had been coded as an ethnic service. The 2006 aggregate PBIT and PBIT margin for ethnic and third-language pay and specialty services therefore increased from \$12.7 to \$15.4 million and from 18.75% to 22.59% respectively. Ethnic and third-language digital services began reporting in 2001/02 broadcast year.

Source: CRTC financial database

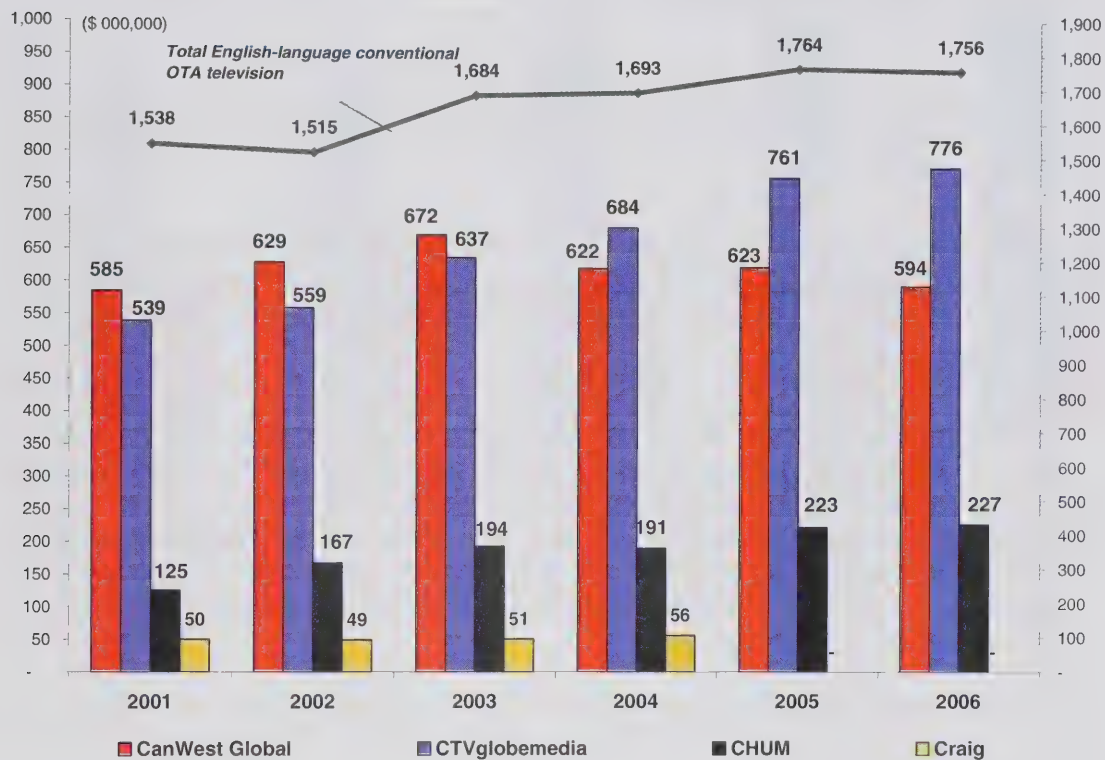
- Ethnic and third-language pay and specialty revenues continue to increase steadily. Total revenues increased \$6.5 million or 10.6% from 2005 to 2006.
- Ethnic and third-language pay and specialty revenues have increased by an average of 12.2% per year since 2000. Advertising and subscribers revenues increased an average of 6.7% and 18.5% per year over the same time period.
- The number of digital pay and specialty services reporting financial results has increased from 3 in 2002 to 26 in 2006.
- The 2006 pay, PPV and specialty results reflect:
 - \$15.7 million in profits from the analog specialty services with a PBIT margin of 26.6%. Profits from this group increased 33% from 2005.

- \$0.3 million in profits from the pay services with a combined PBIT margin of 21.5%.
- \$0.6 million in losses from the digital category 2 specialty services with a combined PBIT margin of -7.3%

4. Financial results for large ownership groups

a) Private conventional OTA television ownership groups

Chart 3.17: Revenues of large English-language private conventional OTA television ownership groups



Source: CRTC financial database

- Based on conventional OTA stations owned or controlled by the ownership group on August 31st of each year. Ownership is based on the date of the approving Decision, not the official closing date of the transaction. The station's entire annual revenue is attributed to the ownership group that was deemed to be its owner as of 31 August.
- CHUM acquired the CKVU-TV Vancouver¹⁰ station and launched CIVI-TV Victoria¹¹ in 2001. Revenues for these stations are included in 2002. CHUM also acquired CKEM-TV Edmonton, CKAL-TV in Calgary, CHMI-TV Portage LaPrairie and CKX-TV Brandon television stations from Craig¹² in November 2004. Revenues for these four stations are included in 2005.
- CTV revenues for 2001 and 2002 include the CTV network plus CTV stations, less the network payments to CTV affiliates. Revenues for the CFCF-TV Montréal station are included in 2002.
- The Commission approved the transfer of effective control of Craig's Alberta and Manitoba conventional television stations to CHUM¹³ and its Toronto conventional television station to Quebecor Media¹⁴ in November 2004.

¹⁰ Transfer of control of CKVU-TV Vancouver, Decision CRTC 2001-647, 15 October 2001

¹¹ New television station on Vancouver Island, Decision CRTC 2000-219, 6 July 2000

¹² Decision CRTC 2004-502

¹³ Decision CRTC 2004-502

¹⁴ Decision CRTC 2004-503

- Large private conventional OTA television ownership groups account for approximately 91% of the total revenues reported by private English-language conventional OTA television stations.
- CTVglobemedia, through CTV Television owns and operates twenty-one¹⁵ English-language conventional OTA television stations and a satellite-to-cable service. It also has affiliation agreements with three private independently owned television stations. Its network operation reaches approximately 99%¹⁶ of English-speaking Canadians. In June 2007, the Commission approved the transfer of effective control of CHUM Limited, including CHUM's conventional OTA television stations to CTVglobemedia with the condition of approval that CHUM's five CityTV¹⁷ stations be divested to a third party purchaser.

CTVglobemedia, through CTV Television also holds a 40% voting interest in TQS Inc. TQS Inc. owns and operates eight French-language Canadian conventional OTA television stations.

- CanWest Global owns and operates nineteen English-language conventional OTA television stations as well as an independent conventional ethnic station located in Montréal. Its network operation reaches more than 94%¹⁸ of English-speaking Canadians.
- CHUM owns and operates 12 English-language conventional OTA television stations located in Ontario (six), Manitoba (two), Alberta (two) and British Columbia (two). CHUM's combined stations reach approximately 85%¹⁹ of English-speaking Canadians. In *Transfer of effective control of CHUM Limited to CTVglobemedia Inc.*, Broadcasting Decision CRTC 2007-165, 8 June 2007, the Commission approved, subject to the fulfillment of certain conditions, the transfer of effective control of CHUM Limited to CTVglobemedia.

¹⁵ Does not include CFRN-TV-3 Whitecourt, CFRN-TV-4 Ashmont, CFRN-TV-5 Red Deer and CKCO-TV-3 Oil Springs

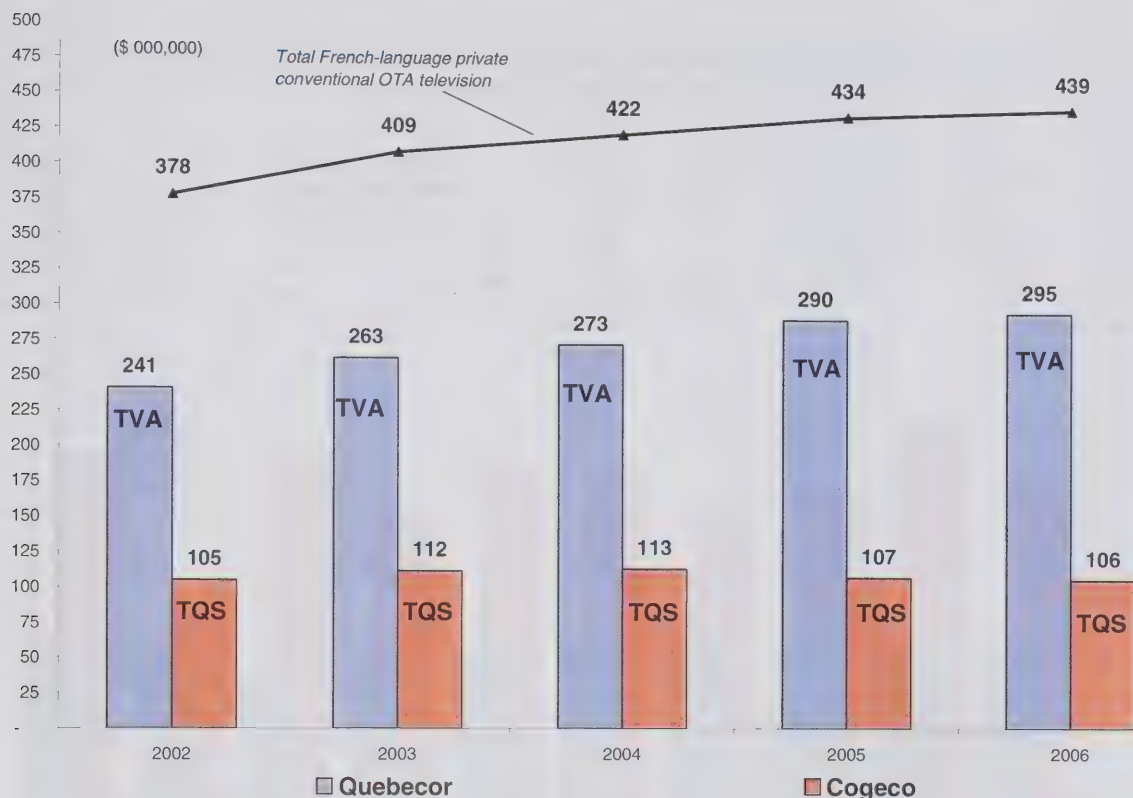
¹⁶ CTV website June 2007: <http://www.ctv.ca>

¹⁷ These stations are CKVU-TV Vancouver; CKAL-TV Calgary; CKEM-TV Edmonton, CHMI-TV Portage La Prairie/Winnipeg; and CITY-TV (including CITY-DT Toronto).

¹⁸ CanWest Global Communications website 6 February 2006: <http://www.canwestglobal.com>

¹⁹ Decision CRTC 2004-502

Chart 3.18: Revenues of large French-language private conventional OTA television ownership groups

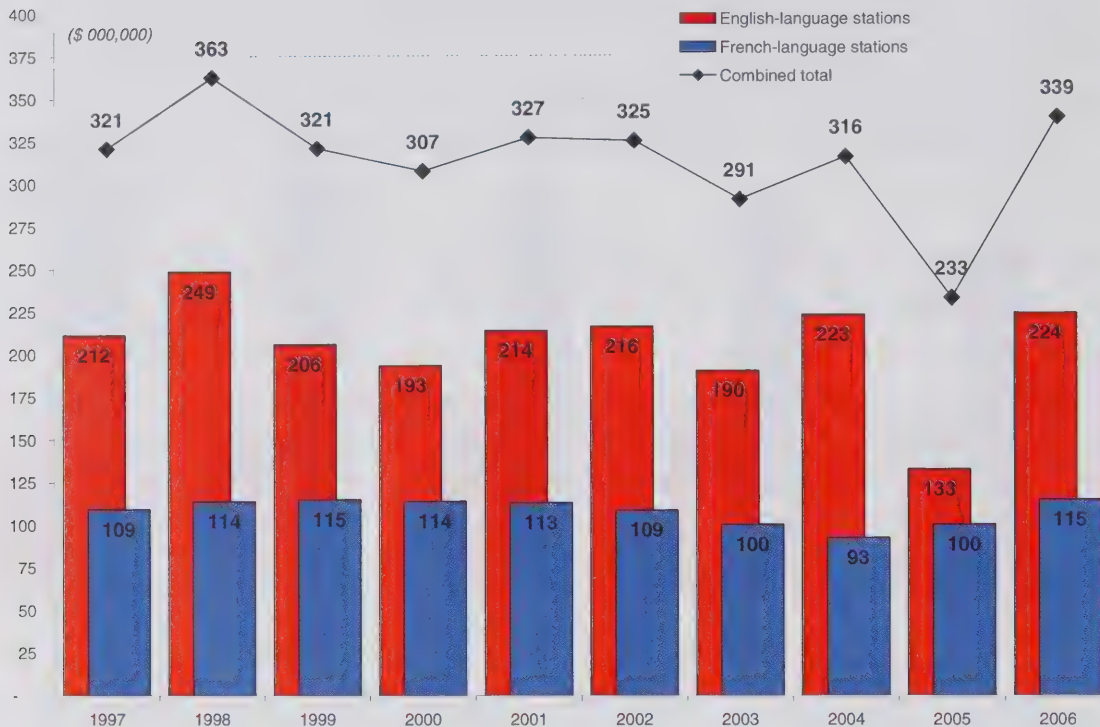


Note: Based on conventional OTA stations owned or controlled by the ownership group on August 31st of each year. Ownership is based on the date of the approving Decision, not the official closing date of the transaction. The station's entire annual revenue is attributed to the ownership group that was deemed to be its owner as of 31 August.
Source: CRTC financial database

- Quebecor and Cogeco accounted for 91% of the total revenues reported by private French-language conventional OTA television in 2006.
- TVA is the largest private French-language conventional OTA television broadcaster in Canada. In addition to the network, TVA owns and operates six television stations, including CFTM-TV Montréal and CFCM-TV Québec. It also has affiliation agreements with four private independently owned television stations and it holds a 45% ownership interest in two of these stations. The TVA service has been licensed for national distribution since 1998.
- TQS owns and operates eight French-language television stations (five TQS & three SRC affiliate stations) located in the province of Quebec. It also operates TQS, a French-language television network originating in Montréal.

b) National public broadcaster – CBC (Canadian Broadcasting Corporation) conventional OTA television stations

Chart 3.19: Advertising revenues: CBC conventional OTA television stations (owned & operated)



Source: Annual financial return filed with the CRTC

- The advertising revenues of CBC's English-language conventional OTA television stations represented 12% of the total advertising dollars achieved by CBC and private English-language conventional OTA television stations in 2006. In 1997, its share was 14%.
- The advertising revenues of CBC's French-language conventional OTA television stations represented 26% of the total advertising dollars achieved by CBC and private French-language conventional OTA television stations in 2006. In 1997, its share was 29%.

c) Companies with significant ownership interests in specialty, pay, PPV and VOD, analog and digital services

- The following table lists companies with significant ownership interests in specialty, pay, PPV and VOD services. This table also includes large broadcasting and distribution undertakings with interest in specialty, pay, PPV and VOD services.

Table 3.9: Companies with significant ownership interest in specialty, pay, PPV and VOD services as of 31 December 2006

Alliance Atlantis ⁽¹⁾	Type of service	Language	Direct/indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
✓ History Television, The	Sp. A	e	100%	6,289	36,306	12,465	34.3%
Independent Film Channel, The	Sp. D1	e	100%	1,350	5,992	- 985	-16.4%
✓ Showcase	Sp. A	e	100%	6,685	59,525	13,066	22.0%
Showcase Action	Sp. D2	e	100%	1,491	8,435	2,259	26.8%
Showcase Diva	Sp. D2	e	100%	1,413	7,462	1,167	15.6%
✓ Slice (Life Network, The)	Sp. A	e	100%	5,869	34,405	-402	-1.2%
Fine Living	Sp. D2	e	80.24%	607	3,096	513	16.6%
✓ HGTV Canada	Sp. A	e	80.24%	6,422	46,716	15,348	32.9%
BBC Canada	Sp. D2	e	80%	1,075	6,333	-512	-8.1%
BBC Kids	Sp. D2	e	80%	1,050	4,591	-2,081	-45.3%
Discovery Health Network	Sp. D1	e	80%	982	6,088	-1,149	-18.9%
✓ National Geographic Channel	Sp. D2	e	64%	1,123	5,643	-3,778	-66.9%
✓ Food Network Canada	Sp. A	e	57.58%	4,882	27,712	8,110	29.3%
✓ Historia	Sp. A	f	50%	1,639	11,648	3,247	27.9%
✓ Séries+	Sp. A	f	50%	1,638	20,910	10,946	52.3%
Scream	Sp. D2	e	49%	1,194	5,208	595	11.4%
One: The Body, Mind & Spirit Channel	Sp. D1	e	37.77%	879	3,678	418	11.4%
✓ The Score	Sp. A	e	22.3%	5,913	28,190	4,606	16.3%

Astral Media	Type of service	Language	Direct/indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
✓ Canal D	Sp. A	f	100%	2,347	29,267	15,938	54.5%
✓ Canal Vie	Sp. A	f	100%	2,016	36,245	17,871	49.3%
CINÉPOP	Pay 2	f	100%	192	352	-1,399	-397.0%
Family Channel, The	Pay	e	100%	5,323	48,687	16,506	33.9%
✓ Mpix (Moviepix!)	Pay	e	100%	1,395	21,046	10,810	51.4%
✓ Super Écran	Pay	f	100%	510	51,492	15,453	30.0%
✓ TMN (Movie Network, The)	Pay	e	100%	1,081	109,820	25,836	23.5%
✓ VRAK-TV	Sp. A	f	100%	2,433	17,681	5,972	33.8%
✓ Ztélé	Sp. A	f	100%	1,637	15,345	4,461	29.1%
Viewers Choice Canada	PPV**	e	50.1%	2,594	24,692	7,435	30.1%
✓ Historia	Sp. A	f	50%	1,639	11,648	3,247	27.9%
✓ Musimax	Sp. A	f	50%	1,907	9,427	933	9.9%
✓ MusiquePlus	Sp. A	f	50%	2,332	19,047	2,817	14.8%
✓ Séries+	Sp. A	f	50%	1,638	20,910	10,946	52.3%
✓ Teletoon / Télétoon	Sp. A	b	50%	6,967	81,664	41,202	50.5%
Canal Indigo	PPV**	f	20.04%	949	4,945	-274	-5.6%

BCE*	Type of service	Language	Direct/indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Bell ExpressVu	PPV**	b	100%	n/a	41,274	11,455	27.8%
Vu! On Demand	VOD	b	100%		Not in operation		

*BCE Inc. holds 15% voting interest in CTVglobemedia Inc.

CanWest ⁽¹⁾	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Cool TV	Sp. D2	e	100%	152	627	-1,052	-167.7%
DejaView	Sp. D2	e	100%	1,022	3,907	-772	-19.8%
Fox Sports World Canada	Sp. D2	e	100%	885	3,485	-477	-13.7%
Lonestar	Sp. D2	e	100%	1,031	4,256	1,164	27.4%
Xtreme Sports	Sp. D2	e	100%	782	2,926	405	13.9%
TVtropolis	Sp. A	e	66.7%	5,754	25,543	4,548	17.8%
Mystery	Sp. D1	e	50%	1,264	5,678	1,148	20.2%
MenTV	Sp. D1	e	49%	872	4,317	1,188	27.5%

CBC/SRC	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Country Canada	Sp. D1	e	100%	859	3,210	182	5.7%
CBC Newsworld	Sp. A	e	100%	10,034	76,773	-3,005	-3.9%
Country Canada	Sp. D1	e	100%	859	3,210	182	5.7%
Galaxie (Pay audio)	Audio	b	100%	na			
RDI – Réseau de l'information	Sp. A	f	100%	8,998	45,839	422	0.9%
ARTV	Sp. A	f	37%	1,865	13,096	153	1.2%
Canadian Documentary Channel, The ⁽²⁾	Sp. D1	e	29%	981	4,239	-584	-13.8%

CHUM ⁽²⁾	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
✓ BookTelevision	Sp. D1	e	100%	919	3,228	448	13.9%
✓ Bravo!	Sp. A	e	100%	6,529	40,727	11,948	29.3%
CLT (Canadian Learning Television)	Sp. A	e	100%	4,648	15,377	6,786	44.1%
✓ CourtTV Canada	Sp. D2	e	100%	1,359	5,543	1,951	35.2%
Drive-In Classics	Sp. D2	e	100%	1,297	3,114	984	31.6%
✓ FashionTelevisionChannel	Sp. D1	e	100%	882	4,016	687	17.1%
MuchLoud	Sp. D2	e	100%	265	538	-58	-10.8%
✓ MuchMoreMusic	Sp. A	e	100%	6,662	19,215	6,783	35.3%
MuchMoreRetro	Sp. D2	e	100%	271	559	174	31.1%
✓ MuchMusic	Sp. A	e	100%	7,884	53,254	13,277	24.9%
MuchVibe	Sp. D2	e	100%	581	918	20	2.2%
✓ Pulse 24 (CP24)	Sp. A	e	100%	3,169	11,365	-18	-0.2%
PunchMuch	Sp. D2	e	100%	526	899	-190	-21.1%
✓ Razer (MTV Channel)	Sp. D1	e	100%	896	4,704	388	8.2%
SexTV: The Channel	Sp. D2	e	100%	1,157	2,272	-116	-5.1%
✓ SPACE: The Imagination Station	Sp. A	e	100%	5,785	48,756	18,404	37.7%
✓ Star!	Sp. A	e	100%	4,739	19,304	5,201	26.9%
TV Land	Sp. D2	e	80.1%	1,045	3,944	67	1.7%
✓ Musimax	Sp. A	f	50%	1,907	9,427	933	9.9%
✓ MusiquePlus	Sp. A	f	50%	2,332	19,047	2,817	14.8%

Cogeco	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Canal Indigo*	PPV**	f	32%	949	4,945	-274	-5.6%
Cogeco On Demand	VOD	b	100%	No data	#N/A	#N/A	#N/A

*Comprised of 20% held by Cogeco and 12% held through TQS Inc.

Corus ⁽⁴⁾	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Encore Avenue	Pay	e	100%	372	9,856	6,289	63.8%
✓ MovieCentral	Pay	e	100%	826	82,616	22,427	27.1%
TreeHouse TV	Sp. A	e	100%	6,671	10,484	4,240	40.4%
W Network	Sp. A	e	100%	6,781	65,671	25,497	38.8%
YTV	Sp. A	e	100%	8,782	88,634	31,254	35.3%
CMT (Country Music Television)	Sp. A	e	90%	8,387	24,103	8,506	35.3%
Discovery Kids	Sp. D2	e	80%	996	3,103	-86	-2.8%
Canadian Documentary Channel, The ⁽²⁾	Sp. D1	e	53%	981	4,239	-584	-13.8%
Scream	Sp. D2	e	51%	1,194	5,208	595	11.4%
Leonardo World Canada							
(Sitcom Canada) (Italian)	Sp. D2	o	50.5%	1	38	-73	-190.2%
Sky TG24 (Network Italia) (Italian)	Sp. D2	o	50.5%	2	42	-103	-248.4%
Telelatino (Italian & Hispanic/Spanish)	Sp. A	o	50.5%	3,424	18,066	7,649	42.3%
Video Italia Canada (Italian)	Sp. D2	o	40.4%	1	38	-57	-147.7%
✓ Teletoon / Télétoon*	Sp. A	b	50%	6,967	81,664	41,202	50.5%
✓ Food Network Canada	Sp. A	e	22.58%	4,882	27,712	8,110	29.3%
MaxTrax (Pay audio service)	Audio	b	100%	na			

* 20% of the 50% voting interest is held by Nelvana Limited, a company that produces and distributes children and family productions. Corus Entertainment Inc. holds 100% voting interest in Nelvana Limited.

CTVglobemedia ⁽³⁾	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
CTV Newsnet	Sp. A	e	100%	7,962	19,226	1,412	7.3%
MTV Canada (TalkTV)	Sp. A	e	100%	5,107	8,626	-11,579	-134.2%
BNN Business News Network (ROBTV)	Sp. A	e	100%	5,139	20,564	4,104	20.0%
TCN (Comedy Network, The)	Sp. A	e	100%	5,541	45,122	14,201	31.5%
travel + escape (CTV Travel)	Sp. D1	e	100%	763	4,180	-14	-0.3%
ESPN Classic Canada	Sp. D2	e	80%	758	2,296	-144	-6.3%
✓ RDS - Réseau des Sports	Sp. A	f	80%	2,514	86,938	18,368	21.1%
RIS Info Sports	Sp. D1	f	80%	785	4,725	1,587	33.6%
✓ TSN (Sports Network, The)	Sp. A	e	80%	8,438	201,270	48,582	24.1%
Animal Planet	Sp. D2	e	64%	1,222	4,295	532	12.4%
✓ Discovery Channel, The	Sp. A	e	64%	7,405	85,615	33,148	38.7%
Discovery Civilization Channel	Sp. D2	e	64%	977	3,091	196	6.4%
❖ Discovery HD	Sp. D2	e	64%	140	152	-107	-70.3%
OLN (Outdoor Life Network)	Sp. A	e	33.34%	5,571	15,580	5,291	34.0%
Viewer's Choice Network Canada	PPV**	e	19.96%	2,594	24,692	7,435	30.1%
NHL Network, The	Sp. D2	e	17.14%	785	6,007	1,268	21.1%
ARTV	Sp. A	f	16%	1,865	13,096	153	1.2%
Canal Indigo*	PPV**	f	15.98%	949	4,945	-274	-5.6%
✓ Leaf TV	Sp. D2	e	15.44%	223	3,837	-3,759	-98.0%
✓ Raptors NBA-TV	Sp. D2	e	15.44%	531	3,923	-897	-22.9%

*Comprised of 8% held through TQS inc. and 7.98% held through Viewer's Choice Canada.

Quebecor Media	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Archambault Group Inc.							
Quebecor Media Inc. hold 100% voting interest in Archambault Group Inc.							
Illico sur demande	VOD	b	100%	567	8,042	-1,801	-22.4%
TVA Group Inc.							
Quebecor Media Inc. hold 99.9% voting interest in TVA Group Inc.							
ARGENT	Sp. D1	f	100%	471	1,394	-2,273	-163.0%
LCN – Le Canal Nouvelles	Sp. A	f	100%	1,974	19,730	6,414	32.5%
Mystère	Sp. D1	f	100%	201	1,285	-1,954	-152.1%
Prise 2 (Nostalgie)	Sp. D2	f	100%	198	389	-1,342	-344.9%
MenTV	Sp. D1	e	51%	872	4,317	1,188	27.5%
Mystery	Sp. D1	e	50%	1,264	5,678	1,148	20.2%
Canal Indigo	PPV**	f	20%	949	4,945	-274	-5.6%
Canal Évasion	Sp. A	f	8.31%	1,626	6,905	1,336	19.3%

Rogers Communications	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Biography Channel, The	Sp. D1	e	100%	981	4,824	-51	-1.1%
Rogers On Demand	VOD	b	100%	3,183	30,209	1104	3.7%
✓ Rogers Sportsnet	Sp. A	e	100%	8,261	141,517	25,350	17.9%
✓ Sports/Specials Pay-per-View	PPV**	e	100%	22	6,241	45	0.7%
G4TechTV	Sp. D1	e	66.67%	945	5,298	384	7.2%
Viewers Choice Canada	PPV**	e	24.95%	2,594	24,692	7,435	30.1%
OLN (Outdoor Life Network)	Sp. A	e	33.33%	5,571	15,580	5,291	34.0%
TVtropolis (Prime TV)	Sp. A	e	33.33%	5,754	25,543	4,548	17.8%
Canal Indigo	PPV**	f	9.98%	949	4,945	-274	-5.6%

Shaw ⁽⁴⁾	Type of service	Language	Direct/ indirect voting interest	31 August 2006 financial results (000)			
				# of subscribers	Revenues (\$)	PBIT (\$)	PBIT Margin
Shaw Pay-Per-View	PPV**	e	100%	1,007	20,615	4,181	20.28%
Videon CableSystem - regional	VOD	b	100%	Not in operation			

Notes to table 3.9

- Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
 - Includes only category 2 services that have been launched as of 31 December 2006.
 - (1) On 25 May 2007, the Commission announced its intention to review CanWest's application to transfer effective control of Alliance Atlantis' regulated broadcasting properties at a public hearing in late summer 2007.
 - (2) In Broadcasting Decision CRTC 2007-201, dated 22 June 2007, the Commission approved an application by the CBC to acquire Corus' 53% interest in this service transferring effective control to CBC and increasing its interest in this service from 29% to 82%.
 - (3) In *Transfer of effective control of CHUM Limited to CTGlobeMedia Inc.*, Broadcasting Decision CRTC 2007-165, 8 June 2007, the Commission approved, subject to certain conditions, the transfer of effective control of CHUM Limited to CTGlobeMedia. On 22 June 2007, the Commission confirmed CTGlobeMedia's fulfillment of these conditions.
 - (4) Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as J.R. Shaw has voting control of both companies.
- Legend:
- PPV** indicates that the licensee holds both a terrestrial and DTH PPV licence.
 - ✓ Indicates that the service has been authorized to make available an upgraded high definition (HD) format version. Reflects decisions issued up to the 31st of May 2007.
 - ❖ Indicates high definition (HD) programming undertaking. Reflects decisions issued up to the 31st of May 2007.
 - Type of service: Sp. A = Specialty analog service; Sp. D1 = Specialty digital category 1 service; Sp. D2 = Specialty digital category 2 service; Pay = Pay analog service; Pay 2 = Pay digital category 2 service; DTH = Direct to home; PPV = Pay-per-view; PPV** = Holds both a terrestrial and DTH PPV licence; VOD = Video-on-demand
 - Language: e = English; f = French; o = Other; b=English/French

Sources: CRTC Acquisition & Ownership Policy Section, Industry Analysis Division and CRTC Decisions

D. Contribution to Canadian programming

1. Conventional OTA television

- The conventional OTA television sector plays an essential role in the Canadian broadcasting system and is a dominant force contributing to the production and provision of Canadian programming.
- In *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007 (2007 OTA television policy), the Commission commended French-language OTA television broadcasters for their commitment and contributions to the production and acquisition of Canadian programming.
- With respect English-language conventional OTA television licensees, the Commission noted that although they had maintained Canadian programming expenditures as a percentage of revenues, the continued decline in proportion to total programming expenditures is a cause for concern. In order to ensure that an appropriate proportion of financial resources are allocated towards the production and acquisition of Canadian programming, the Commission indicated that it would review this matter during the licence renewal process for the major OTA broadcast groups scheduled to take place in Spring 2008.
- The following tables sets out programming expenditures by genre reported by the CBC and private commercial conventional OTA television in the 2001-02 to 2005-06 broadcast years.

a) Eligible expenditures on Canadian programming (CPE)²⁰

Table 3.10: CBC English- and French-language conventional OTA television

Genre (\$ 000)	2002	2003	2004	2005	2006	Annual growth %			
						03	04	05	06
News (cat. 1)	104,445	104,097	112,606	108,753	116,559	-0%	8%	-3%	7%
Other info. (cat. 2 to 5)	74,238	83,361	75,877	76,111	76,908	12%	-9%	0%	1%
Sports (cat. 6)	161,398	101,418	167,059	*	141,489	-37%	65%	*	*
Drama & comedy (cat. 7)	84,347	102,271	100,841	104,622	116,809	21%	-1%	4%	12%
Music/Variety (cat. 8 & 9)	24,401	38,094	39,572	28,674	35,514	56%	4%	-28%	24%
Game show (cat. 10)	2,012	1,483	1,552	1,349	165	-26%	5%	-13%	-88%
Human interest (cat. 11)	33,733	29,364	31,851	44,367	43,466	-13%	8%	39%	-2%
Other (cat. 12 to 15)	-	-	-	-	-				
Total (cat. 1 to 15)	484,574	460,088	529,358	*	530,910	-5%	15%	*	*

Notes: Excludes indirect and facility cost allocations. Minor variances are due to rounding.

* "Sports" and "Total" programming expenditures for 2005 are confidential.

Source: CRTC financial database

²⁰ Excludes Canadian Television Fund (CTF) reported by stations and services. Includes expenditures relating to ownership transfer benefits and to commitments made at the time of licensing.

Table 3.11: Private conventional OTA television

Genre (\$ 000)	2002	2003	2004	2005	2006	Annual growth %			
						03	04	05	06
News (cat. 1)	290,624	300,143	310,990	310,225	328,078	3%	4%	-0%	6%
Other info. (cat. 2 to 5)	54,813	55,695	60,464	59,400	66,288	2%	9%	-2%	12%
Sports (cat. 6)	25,536	19,125	9,388	8,892	9,336	-25%	-51%	-5%	5%
Drama & comedy (cat. 7)	83,478	99,541	86,499	86,553	73,857	19%	-13%	0%	-15%
Music/Variety (cat. 8 & 9)	24,504	11,024	18,037	29,156	35,047	-55%	64%	62%	20%
Game show (cat. 10)	6,792	4,259	6,034	4,909	5,678	-37%	42%	-19%	16%
Human interest (cat. 11)	38,789	51,659	81,386	83,099	101,637	33%	58%	2%	22%
Other (cat. 12 to 15)	2,266	3,862	4,006	4,775	3,827	70%	4%	19%	-20%
Total (cat. 1 to 15)	526,802	545,307	576,805	587,009	623,747	4%	6%	2%	6%
% of total revenue	27.8%	26.1%	27.3%	26.7%	28.4%				

Note: 2002 to 2005 figures have been updated to reflect current aggregate results. Minor variances are due to rounding. Amounts include expenditures on Canadian programs telecast, write-down of Canadian inventory, script and concept and loss on equity Canadian programs.

Source: CRTC financial database - run April 4 2007

b) Expenditures on non-Canadian programming

Table 3.12: Private conventional OTA television

Genre (\$ 000)	2002	2003	2004	2005	2006	Annual growth %			
						03	04	05	06
News (cat. 1)	304	2	2	12	6	-99%	-29%	648%	-48%
Other info. (cat. 2 to 5)	14,591	11,191	8,278	9,159	9,340	-23%	-26%	11%	2%
Sports (cat. 6)	9,999	11,595	11,034	10,097	10,419	16%	-5%	-8%	3%
Drama & comedy (cat. 7)	367,795	382,471	373,106	402,249	480,349	4%	-2%	8%	19%
Music/Variety (cat. 8 & 9)	4,162	9,423	11,936	12,482	21,096	126%	27%	5%	69%
Game show (cat. 10)	39,389	35,007	40,683	50,279	35,332	-11%	16%	24%	-30%
Human interest (cat. 11)	66,419	92,224	122,748	125,868	121,713	39%	33%	3%	-3%
Other (cat. 12 to 15)	65	3,012	3,086	3,077	10,017	4,507%	2%	-0%	226%
Total (cat. 1 to 15)	502,723	544,924	570,872	613,224	688,273	8%	5%	7%	12%
% of total revenues	26.6%	26.0%	27.0%	27.9%	31.4%				

Note: 2002 to 2005 figures have been updated to reflect current aggregate results. Minor variances are due to rounding. Amounts include expenditures on non-Canadian programs telecast and write-downs of non-Canadian programming.

Source: CRTC financial database - run April 4 2007

2. Pay, PPV, VOD and specialty services

a) Pay and specialty services

- The following table sets out programming expenditures by genre reported by the pay and specialty services in the 2004-05 and 2005-06 broadcast years.

3.13: Pay and specialty analog and digital services

Genre (\$000)	Eligible expenditures on Canadian programming (CPE) ²¹			Expenditures on non-Canadian programming		
	2005	2006	Inc./Dec.	2005	2006	Inc./Dec.
English-language services*						
Number of services reporting	<u>87</u>	<u>97</u>		<u>87</u>	<u>97</u>	
News (cat. 1)	87,389	104,634	20%	512	592	16%
Other info. (cat. 2 to 5)	163,023	167,780	3%	26,415	27,352	4%
Sports (cat. 6)	98,474	180,807	84%	28,015	35,660	27%
Drama & comedy (cat. 7)	129,745	138,310	7%	151,082	165,935	10%
Music/Variety (cat. 8 & 9)	24,027	29,700	24%	1,552	1,101	-29%
Game show (cat. 10)	2,307	3,497	52%	425	262	-38%
Human interest (cat. 11)	33,609	48,998	46%	12,961	13,199	2%
Other (cat. 12 to 15)	21,336	26,580	25%	1,316	624	-53%
Total (cat. 1 to 15)	559,911	700,307	25%	222,278	244,723	10%
French-language services						
Number of services reporting	<u>19</u>	<u>21</u>		<u>19</u>	<u>21</u>	
News (cat. 1)	39,051	42,494	9%	0	25	
Other info. (cat. 2 to 5)	40,616	40,902	1%	5,912	5,778	-2%
Sports (cat. 6)	17,866	39,958	124%	4,879	4,631	-5%
Drama & comedy (cat. 7)	31,658	30,275	-4%	26,998	29,234	8%
Music/Variety (cat. 8 & 9)	7,936	4,965	-37%	880	1,313	49%
Game show (cat. 10)	140	9	-94%	45	1	-98%
Human interest (cat. 11)	8,451	9,283	10%	366	1,558	326%
Other (cat. 12 to 15)	3,251	5,995	84%	431	910	111%
Total (cat. 1 to 15)	148,970	173,881	17%	39,510	43,449	10%
Ethnic or third-language services						
Number of services reporting	<u>21</u>	<u>31</u>		<u>21</u>	<u>31</u>	
News (cat. 1)	2,046	2,151	5%	833	413	-50%
Other info. (cat. 2 to 5)	2,410	2,960	23%	961	614	-36%
Sports (cat. 6)	513	398	-22%	216	810	275%
Drama & comedy (cat. 7)	1,095	1,357	24%	2,254	2,458	9%
Music/Variety (cat. 8 & 9)	6,401	6,462	1%	546	753	38%
Game show (cat. 10)	14	0	-100%	15	90	491%
Human interest (cat. 11)	2,976	2,821	-5%	617	789	28%
Other (cat. 12 to 15)	381	161	-58%	14	76	456%
Total (cat. 1 to 15)	15,835	16,309	3%	5,457	6,003	10%
Total pay and specialty services						
Number of services reporting	<u>127</u>	<u>149</u>		<u>127</u>	<u>149</u>	
News (cat. 1)	128,486	149,279	16%	1,345	1,030	-23%
Other info. (cat. 2 to 5)	206,050	211,643	3%	33,289	33,744	1%
Sports (cat. 6)	116,854	221,163	89%	33,111	41,101	24%
Drama & comedy (cat. 7)	162,499	169,942	5%	180,334	197,626	10%
Music/Variety (cat. 8 & 9)	38,365	41,127	7%	2,978	3,166	6%
Game show (cat. 10)	2,460	3,506	43%	485	353	-27%
Human interest (cat. 11)	45,036	61,102	36%	13,944	15,545	11%
Other (cat. 12 to 15)	24,967	32,736	31%	1,761	1,609	-9%
Total (cat. 1 to 15)	724,715	890,497	23%	267,245	294,175	10%

*Includes bilingual services.

Source: CRTC financial database

²¹ Excludes Canadian Television Fund (CTF) reported by stations and services. Includes expenditures relating to ownership transfer benefits and to commitments made at the time of licensing.

b) PPV and VOD services

- The following table sets out CPE reported by the PPV and VOD services²² in the 2004-05 and 2005-06 broadcast years.

Table 3.14: PPV and VOD services

Genre (\$000)	Eligible expenditures on Canadian programming (CPE) ²³		Inc./ Dec.
	2005	2006	
<i>Number of services reporting</i>	<i>14</i>	<i>14</i>	
Total PPV and VOD services	7,418	20,129	171%

Source: CRTC financial database

E. Tangible benefits resulting from the transfers of ownership or control of television broadcasting undertakings

- When considering applications to transfer ownership or control of a television undertaking, the Commission generally expects significant benefits to be offered to the community in question or to the Canadian broadcasting system as a whole. Since competing applications are not solicited, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction.
- The principal components of the Commission's policies with respect to benefits resulting from the transfer of ownership or control are set out in *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993. In the 1999 Television Policy, the Commission amended its tangible benefits policy with respect to transfers of ownership or control involving television broadcasting undertakings. This amendment requires applicants to make commitments to clear and unequivocal tangible benefits representing financial contributions of at least 10% of the value of the transaction.
- In the 2007 conventional OTA television policy, the Commission further amended its policy to exempt those television stations earning less than \$10 million in annual revenues and who are, or could be, eligible to receive support from the Small Market Programming Fund from the application of the benefits test. The Commission also

²² Programming expenditures by genre for PPV and VOD services are not available.

²³ Excludes Canadian Television Fund (CTF) reported by stations and services. Includes expenditures relating to ownership transfer benefits and to commitments made at the time of licensing.

stated that it would further examine the benefits policy in the context of the Diversity of Voices public proceeding to be held in September 2007.²⁴

- The following table shows the number of English-language and French-language transfers of ownership or control of television broadcasting undertakings from 11 June 1999 to 31 December 2006.

Table 3.15: Value of television transactions and corresponding transfer benefits for the period 11 June 1999 to 31 December 2006

(\$000,000)	English-language services			French-language services			Total benefits
	# of trans.	Value of the trans-action*	Benefits	# of trans.	Value of the trans-action*	Benefits	
11 Jun 99 to 31 Aug. 04	25	4,333	452.9	5	631	63.0	516.0
1 Sep. 04 to 31 Mar. 05	3	271	27.1	-	-	-	27.1
1 Sep. 05 to 31 Mar. 06	5	18	1.8	-	-	-	1.8
1 Apr. 05 to 31 Dec. 06	3	7	0.7	-	-	-	0.7
Total	36	4,629	482.5	5	631	63.0	545.6

* Value determined by the Commission for the purpose of calculating transfer benefits.

F. Canadian television programming

1. Canadian priority programming

- In the 1999 Television Policy, the Commission indicated that one of its goals in developing the policy is to “ensure quality Canadian programs at times when Canadians are watching.”
- The 1999 Television Policy states that the Commission wishes to ensure the availability of a sufficient number of hours of diverse Canadian programming in order to attract audiences during peak viewing periods (7 p.m. to 11 p.m.).
- In the 1999 Television Policy, “under-represented” Canadian programming (drama, music and dance, and variety programs) was redefined as “priority programming” and expanded to include long-form documentaries, regionally-produced programs and entertainment magazine programs.
- The 1999 Television Policy also requires that the largest multi-station ownership groups offer as a minimum, in each broadcast year, an average of eight hours per week of Canadian priority programming during the 7 p.m. to 11 p.m. peak viewing period. This requirement is in addition to any benefit commitments made by these

²⁴ *Diversity of Voices Proceeding*, Broadcasting Notice of Public Hearing CRTC 2007-5, 13 April 2007 sets out the scope for the public hearing proceedings scheduled to begin on Monday 17 September 2007. The purpose of this hearing is to review the Commission’s approach to ownership consolidation and other issues related to the diversity of voices in Canada.

broadcasters in connection with transfers of ownership or control. Currently, CTV, Global, TVA and CHUM²⁵ meet the Commission's definition of largest multi-station ownership groups.

- The 150% dramatic time credit that previously could be applied against regulated Canadian content requirements was also discontinued for the largest multi-station ownership groups. In its place, the Commission introduced a 150% priority programming time credit for Canadian drama programs that receive the full ten Canadian key creative points and a 125% time credit for Canadian drama programs that receive between six and nine points. The broadcasters can apply these time credits against their minimum eight-hour per week priority programming requirement.²⁶
- The majority of the television stations controlled by CTV and Global were renewed in 2001.²⁷ TVA's network television licence and its mother station CFTM-TV Montréal were also renewed in 2001.²⁸ TVA's five regional stations were renewed in 2004.²⁹ In its renewal decisions, the Commission indicated that it would be monitoring and evaluating Canadian priority programming scheduling practices and related audience levels, in order to test whether the goals of the 1999 Television Policy were being achieved.
- The 2001 renewal decisions for TVA and CTV also outlined significant transfer benefits related to priority programming that the groups were required to fulfill during their next licence term:
 - In *Transfer of effective control of CTV Inc. to BCE Inc.*, Decision CRTC 2000-747, 7 December 2000, the Commission required the licensee to broadcast a minimum of 175 hours of original Canadian priority programming over the licence term (in addition to the base level of eight hours per week), and a minimum total incremental expenditure of \$140 million over the licence term on the benefits-related priority programming.
 - In *Transfer of effective control of TVA to Québecor Média inc.*, Decision CRTC 2001-384, 5 July 2001, the Commission required the licensee to expend a minimum of \$39.8 million of the benefits on priority programming, incremental to a base level of priority programming expenditures as outlined in the decision.
- The priority programming benefits for both TVA and CTV commenced in the 2001/2002 broadcast year.

²⁵ The Commission approved the transfer of effective control of Craig's conventional television stations to CHUM on 19 November 2004. As a result, CHUM is now considered to be a large multi-station ownership group (Decision 2004-502).

²⁶ Definitions for new types of priority programs; revisions to the definitions of television content categories; definitions of Canadian dramatic programs that will qualify for time credits towards priority programming requirements, Public Notice CRTC 1999-205, 23 December 1999.

²⁷ Licence renewals for the television stations controlled by CTV, Decision CRTC 2001-457, 2 August 2001; Licence renewals for the television stations controlled by Global, Decision CRTC 2001-458, 2 August 2001.

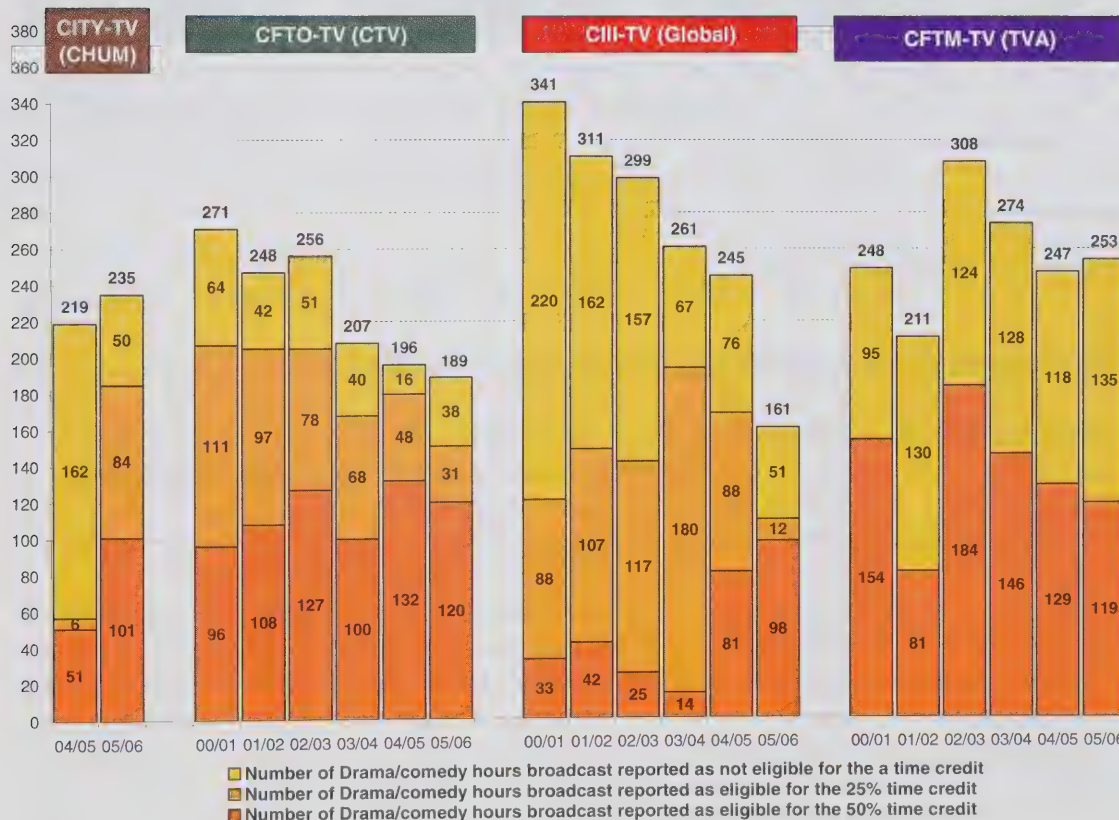
²⁸ Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001.

²⁹ CFCM-TV Québec, CHEM-TV Trois-Rivières, CHLT-TV Sherbrooke, CFER-TV Rimouski and its transmitter CFER-TV-2 Gaspé-Nord, CJPM-TV Saguenay and its transmitter CJPM-TV-1 Chambord – Licence renewals, Broadcasting Decision CRTC 2004-530, 3 December 2004.

Scheduling of Canadian priority programs during peak viewing period

- Charts 3.20 and 3.21 set out the number of hours of Canadian priority programming scheduled during the peak viewing period of 7 p.m. to 11 p.m. by CFTO-TV (CTV) Toronto, CIII-TV (Global) Toronto, and CFTM-TV (TVA) Montréal for each of the 2000/01 to 2005/06 broadcast years.
- The charts also indicate the hours of Canadian priority programs scheduled by CITY-TV (CHUM) Toronto for the 2004/05 and 2005/06 broadcast years. CHUM joined the ranks of the largest multi-station ownership groups in November 2004.
- The results are based on the revised definitions of priority programming that came into effect on 1 September 2000.
- The following chart sets out the number of drama/comedy priority programming hours broadcast by each of the stations.
- The number of hours broadcast that also qualified for the additional 50% or 25% drama/comedy time credits is also highlighted in this chart.

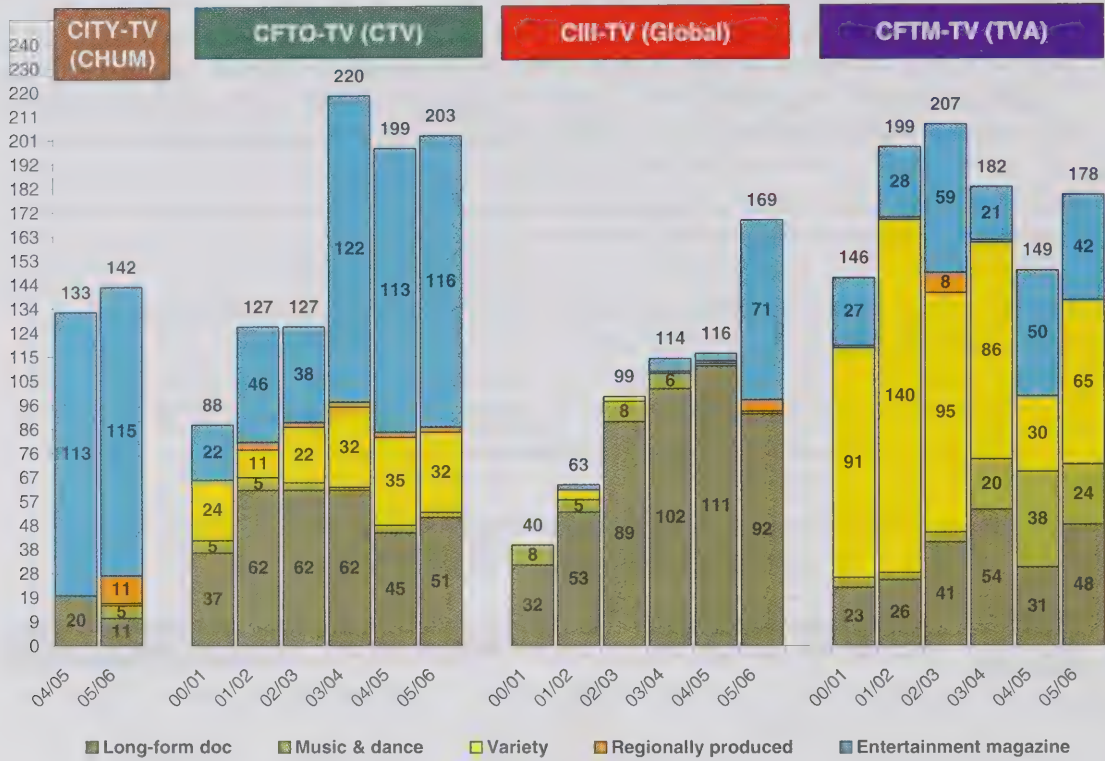
Chart 3.20: Number of hours of drama/comedy priority programming broadcasted annually – 7 p.m. to 11 p.m.



Note: Reflects hours broadcast from September 1st to August 31st. Minor variances are due to rounding.
 Minor variances are due to rounding.
 Source: Licensees

- The following chart sets out the number of hours of Canadian priority programming, other than drama/comedy, broadcast by the stations.

Chart 3.21: Number of hours of non-drama/comedy Canadian priority programming broadcasted annually – 7 p.m. to 11 p.m.



Note: Reflects hours broadcast from September 1st to August 31st.

Minor variances are due to rounding.

Source: Licensees

2. Incentives for original Canadian television drama³⁰

- In May 2003, the Commission began a process intended to encourage the production and broadcast of original Canadian drama programming during peak viewing hours. To this end, the Commission introduced drama incentive programs for both French-language and English-language television drama.
- In *Incentives for French-language Canadian television drama*, Broadcasting Public Notice CRTC 2005-8, 27 January 2005, the Commission set out a program of incentives that is designed to maintain a proper balance of original Canadian French-language drama, including a minimum number of high-cost programs or series, broadcast by French-language television licensees during the peak viewing period (7 p.m. to 11 p.m.).

³⁰ Drama and comedy programming.

- In *Incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2004-93, 29 November 2004 (Public Notice 2004-93), the Commission set out its program of incentives designed to increase the production and the broadcast of, the viewing to, and the expenditures on, high-quality, original Canadian English-language drama programming.
- In *Viewing and expenditure for English-language Canadian television drama – Call for comments*, Broadcasting Public Notice CRTC 2005-81, 10 August 2005 (Public Notice 2005-81) and in *Viewing and expenditure incentives for English-language Canadian television drama*, Broadcasting Public Notice CRTC 2006-11, 27 January 2006 (Public Notice 2006-11) the Commission set out targets for the viewing and expenditure components of the Commission's drama incentives.
- In the 2007 OTA television policy, the Commission announced that it was phasing in the removal of the restrictions on advertising time limits so that effective 1 September 2009 there would be no restrictions on advertising time. These changes will affect the drama incentive programs eventually making it no longer effective or relevant. In the interim, the Commission has removed the 14 minute per hour cap on advertising that may be broadcast through the use of the drama credits, for broadcasters who wish to continue benefiting from the drama incentive programs in the interim.
- Each licensee participating in these incentive programs is required to file annual reports detailing the use of these incentives. Copies of these reports are available on the CRTC's website.³¹

G. Specialty, pay, PPV and VOD services

Specialty services (*Specialty Services Regulations, 1990*)

- There are 49 Canadian analog specialty services: 28 English-language, 14 French-language, two bilingual (English & French) and five third-language.³²
- There are also 18 category 1 digital specialty services: 15 English-language³³ have been in service since the Fall 2001 and three French-language³⁴ services were launched in Fall 2004. These services were approved following a competitive hearing and were licensed on a one-per-genre basis in 2000.
- Category 2 digital specialty services are approved on a more competitive, open-entry basis. The Commission continues to approve additional category 2 services. As of 31 December 2006, there were approximately 292 approved category 2 specialty services, including 105 English-language, 14 French-language, 166 ethnic or third-

³¹ Copies of these reports are available on the CRTC's website http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

³² Languages other than English and French or those of Aboriginal Canadians.

³³ There were 16 English-language category 1 digital specialty services authorized by the Commission in November 2000. One of these, WSTN (Women's Sport Television Network), is no longer in operation.

³⁴ There were five French-language category 1 digital specialty services authorized by the Commission in November 2000. The licensees of Télé Ha! Ha! and Perfecto, La Chaîne have decided not to launch these services.

language and seven bilingual. Approximately 79 of these services, 50 English-language, two French-language, one bilingual and 26 third-language have been launched.

Pay services (*Pay Television Regulations, 1990*)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- In May 2006,³⁵ the Commission approved a new national English-language general interest pay service.
- The Commission has also approved 26 digital category 2 pay services. As of 31 December 2006, seven (two English-language, one French-language and four third-language services) have been launched.

Pay-Per-View (PPV) services (*Pay Television Regulations, 1990*)

- There are seven (terrestrial) pay-per-view services: five English-language, one bilingual (English and French) and one French-language.
- There are six direct-to-home (DTH) pay-per-view services: four English-language, one bilingual (English and French), and one French-language.

Video-on-demand (VOD) services (*Pay Television Regulations, 1990*)

- As of 31 December 2006, there were 16 licensed video-on-demand programming undertakings, nine of which have been launched.

H. Ethnic programming services

- Section 3(1)(d)(iii) of the Act provides, in part, that the Canadian broadcasting system should reflect the circumstances and aspirations of all Canadians, including the multicultural and multiracial nature of Canadian society.
- The principal components of the Commission's policy on ethnic broadcasting are set out in the *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (the Ethnic Policy). Among other things, the policy provides a framework for the licensing of an array of radio and television services in languages relevant to Canadian ethnocultural communities.
- Pursuant to the Ethnic Policy, ethnic television stations are required to devote at least 60% of their schedules to ethnic programming, and at least 50% of their schedules must consist of third-language programming.

³⁵ Applications for new pay television services, Broadcasting Decision CRTC 2006-193, 18 May 2006.

- Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles. Such programming may be in any language or combination of languages.
- Third-language programming is programming in languages other than English and French or a language of the Aboriginal peoples of Canada.

1. Over-the-air Ethnic television stations

- The Commission is of the view that a primary responsibility of over-the-air ethnic television stations should be to serve and reflect their local community. Licensees are expected to report on past and future local programming initiatives at the time of licence renewal.
- Ethnic television stations are also required to serve a range of ethnic groups in a variety of third-languages. This approach allows for the provision of service to groups that would not otherwise be able to afford their own single-language service. However, where many distinct ethnic groups are served in the overall market, individual stations may be permitted to provide more hours of service to fewer groups.
- As a way of reflecting the circumstances and aspirations of the multicultural and multiracial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations one each in the Montreal and Vancouver markets and two in the Toronto market. In *Ethnic television stations in Calgary and Edmonton*, Broadcasting Decision CRTC 2007-166, 8 June 2007, the Commission has also approved two new ethnic OTA television stations to serve the Edmonton and Calgary markets.

2. Ethnic pay & specialty services

- In addition to ethnic conventional broadcasting services, the Commission has also licensed a number of Canadian ethnic specialty services.

a) Analog ethnic specialty services

- There are five national Canadian analog ethnic specialty services offering programming in a variety of languages. These services are currently distributed either on a stand-alone basis or as part of a package with other discretionary services.
 - Fairchild Television offers programming predominantly in Cantonese. The service was approved by the Commission in May 1984.
 - Telelatino provides programs directed to Italian and Hispanic/Spanish audiences. The Commission approved this service in May 1984.

- Talentvision provides programming predominantly in Mandarin, complemented by some programming in Vietnamese and Korean. The service was approved by the Commission in December 1993.³⁶
- Asian Television Network (SATV) serves South Asian communities in 15 South Asian languages, predominantly Hindi, supplemented by programming in English. The service was approved by the Commission in September 1996.
- Odyssey provides programming intended for the Greek community. With the exception of a small amount of news programming, 100% of its programming is in Greek. The service was approved by the Commission in September 1996.

b) Category 2 digital ethnic pay & specialty services

- As of 31 December 2006, the Commission has approved over 189 Canadian ethnic category 2 digital pay and specialty services. Of these, 26 specialty and 4 pay services have been launched. In March 2007, the Commission announced that it will now exempt third-language services, provided they fall under the terms of the new exemption order.³⁷

3. Non-Canadian third-language programming services eligible for distribution in Canada

- The Commission also authorizes non-Canadian third-language programming services that may be distributed by broadcasting distribution undertakings in Canada. As of 31 December 2006 there are 71 third-language programming services authorized for distribution.

I. Native television services

- Section 3(1)(o) of the Act provides that programming that reflects the Aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available. The Commission's native broadcasting policy is set out in *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990.
- The primary role of Aboriginal broadcasters is to address the specific cultural and linguistic needs of their audiences while creating an environment in which Aboriginal artists and musicians, writers and producers, can develop and flourish. Native undertakings have a distinct role in fostering the development of Aboriginal cultures and, where possible, the preservation of ancestral languages.

³⁶ Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

³⁷ Exemption order respecting certain third-language television undertakings, Broadcasting Public Notice CRTC 2007-33, 30 March 2007.

- As of 31 December 2006 there were seven originating and 95 rebroadcasting native television stations in operation. The Commission has also licensed two native television network programming services:
 - Aboriginal Peoples Television Network (APTN) which has mandatory national carriage under an order issued pursuant to section 9(1)(h) of the Act;
 - Wawatay Native Communications.

J. Religious television stations

- The Commission's religious policy is set out in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993. Pursuant to this policy, a religious program is defined as one which deals with a religious theme, including programs that examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.
- As of 31 December 2006, there were five over-the-air religious television stations broadcasting in Canada.
- In *Religious television stations in Calgary and Edmonton*, Broadcasting Decision CRTC 2007-167, 8 June 2007, the Commission also approved two new over-the-air religious television stations to serve the Calgary and Edmonton markets.

K. The national public broadcaster

- The Canadian Broadcasting Corporation / Société Radio-Canada (CBC/SRC) is Canada's national public broadcaster. Pursuant to section 3(1)(l) of the Act, the CBC/SRC should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

1. Over-the-air conventional television stations

- The CBC/SRC operates two national television network services – one in English and the other in French. CBC/SRC also provides a distinctive television service in northern Canada, broadcasting in English, French and eight Aboriginal languages. Privately-owned stations affiliated with the CBC/SRC allow it to reach more Canadians.

2. Specialty services

- The CBC/SRC owns and operates the following specialty services:
 - CBC Newsworld, a national English-language news and information specialty service;
 - Le Réseau de l'information (RDI), a national French-language news and information specialty service; and
 - Country Canada, a national English-language category 1 digital specialty service that provides information and entertainment from a rural perspective.

- The CBC/SRC also has partial ownership interests in the following specialty services:
 - ARTV, a national French-language specialty service dedicated to the arts (37%); and
 - The Canadian Documentary Channel, a national English-language category 1 digital specialty service that broadcasts documentary programming on a 24-hour basis (82%).

L. Community-based television

- The role of community-based television is primarily to provide a public service, facilitating self-expression through free and open access to members of the community. As such, at least 60% of the programming aired during each broadcast week is comprised of local community television programming.
- In *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002 (Public Notice 2002-61), the Commission set out an integrated policy framework for community-based media. The objective of this policy is to ensure the creation and exhibition of more locally-produced, locally-reflective community programming and to foster a greater diversity of voices and alternative choices by facilitating new entrants at the local level.
- Public Notice 2002-61 replaced the 1991 Community channel policy³⁸ establishing a new licensing framework for community programming services. Public Notice 2002-61 also established a new class of broadcasting licence for the provision of community programming known as “community-based television programming undertakings.”³⁹ There are currently 12 such services licensed in Canada: ten English-language, one bilingual (English & French) and one French-language.
- In situations where the cable company does not provide a community channel, or does not operate a community channel in accordance with the provisions of the Commission’s policy, community groups may apply for a community programming service licence. The licensees of these services must be non-profit organizations with membership, management and programming that is mainly from the community.

M. Non-Canadian satellite services authorized⁴⁰ in Canada

- In *A new approach to revisions to the Commission’s lists of eligible satellite services*, Broadcasting Public Notice CRTC 2006-55, 28 April 2006, the Commission announced public notices setting out the Commission’s determinations on requests to amend the lists would provide a link to an up-to-date version of the lists on the

³⁸ 1991 *Community Channel Policy*, Public Notice CRTC 1991-59, 5 June 1991.

³⁹ The licensing framework for community-based television programming undertakings includes two sub-categories: community-based low-power television undertakings and community-based digital services.

⁴⁰ Carriage of non-Canadian eligible satellite services is at the discretion of the BDU. In some cases, distribution is authorized under specific terms or conditions.

Commission's web site.⁴¹ The Commission will periodically issue public notices setting out revised lists that include references to all amendments that have been made since the previous public notice setting out the lists was issued.

- The Commission's policy precludes the addition of English- or French-language non-Canadian services to the Lists if the Commission determines them to be either partially or totally competitive with Canadian specialty or pay television services. This policy serves to ensure that Canadian licensed services are in a position to fulfil their commitments and obligations with respect to Canadian programming, a responsibility that non-Canadian services do not have. In any proceeding relating to the addition of English- or French-language non-Canadian services to the Lists, the Commission relies on the comments filed to identify the Canadian pay and specialty services with which non-Canadian services might compete and should therefore be involved in the competitiveness assessment of service.
- In *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004, the Commission adopted a more open-entry approach to non-Canadian third-language general interest television services in order to expand the diversity and choice in television services available to underserved third-language communities in Canada without adversely affecting the viability of Canadian third-language services and their ability to meet their obligations under the Act, including the opportunity to make a contribution to that diversity.
- Since the issuance of the 2006 Broadcasting Policy Monitoring Report, the Commission has approved 26 third-language and two English-language non-Canadian services to the digital Lists.
- As of 31 December 2006,⁴² there are 162 non-Canadian services, broadcasting in 25 languages from approximately 32 countries, authorized for distribution in Canada by digital distributors. Of these services, 75 are also authorized for distribution by broadcasting distribution undertakings on an analog basis.

N. Canadian digital television services

- The Commission's policies are based on the principle that digital technology will replace analog technology and are intended to encourage the transition of the Canadian broadcasting system from analog to digital and high definition technology.
- Recognizing the need to provide regulatory certainty and encouragement during the transition period, the Commission instituted regulatory frameworks for the licensing and distribution of digital over-the-air services in 2002, 2003 and updated them in

⁴¹ For an up to date listing of the revised Lists of eligible satellite services, refer to the Commission's website. From the home page click on "Industries at a Glance" followed by Revised lists of eligible satellite services.

⁴² Refer to Appendix II of *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2007-2, 2 January 2007 for complete listing of eligible services approved as of 31 December 2006.

2007. In 2006, it established the regulatory framework relating to the licensing and carriage of high definition pay and specialty services.

- Further, the Commission has launched a proceeding to review the regulatory frameworks of cable broadcasting distribution undertakings, discretionary programming services, and for the distribution of HD services by DTH distribution undertakings. The Commission will hold a public hearing to discuss these matters early in 2008.

1. Over-the-air digital television services

- In *A licensing policy to oversee the transition from analog to digital over-the-air television broadcasting*, Broadcasting Public Notice CRTC 2002-31, 12 June 2002 (Public Notice 2002-31), the Commission set out a policy framework for the licensing of over-the-air digital television (DTV) services.
- Transitional DTV licensees are allowed to broadcast a maximum of 14 hours per week of high definition programming that is not duplicated on the analog version of the service. A minimum of 50% of this unduplicated high-definition programming must be Canadian and all of the unduplicated programming must be in high definition television (HDTV) format.
- In *The regulatory framework for the distribution of digital television signals*, Broadcasting Public Notice CRTC 2003-61, 11 November 2003 (Public Notice 2003-61), the Commission sets out, among other things, the regulatory framework that governs the distribution of over-the-air digital broadcasting services.
- In the 2007 OTA television policy, the Commission announced its decision to adopt a shut-down date for the analog television transmission of 31 August 2011. The Commission noted that the adoption of a shut down date would provide the television industry with the necessary regulatory certainty to expedite the transition from analog to digital. The Commission further noted that it would also help advance the production of Canadian HD programming.
- To ensure that Canadians are not needlessly deprived of OTA television service, the Commission indicated that it was willing to consider, on an exceptional basis, the continuation of analog service in northern and remote communities where no digital OTA service is provided.
- In *Call for applications for a broadcasting licence to carry on an over-the-air digital/high definition (HD) television programming undertaking to serve locations across Canada*, Broadcasting Public Notice CRTC 2007-62, 11 June 2007, the Commission issued a call⁴³ for applications from parties wishing to obtain OTA digital/HD broadcasting licences in markets across Canada.

⁴³ This call was issued in response to an application from HDTV Networks Incorporated for a broadcasting licence to carry on an over-the-air digital/HD television programming undertaking to serve Vancouver, Calgary, Edmonton, Winnipeg, Toronto, Ottawa, Montreal and Halifax markets.

- As of 31 December 2006, there were 21 originating stations and five rebroadcasters authorized transitional digital OTA television licences.

Table 3.16: Over-the-air transitional digital television⁽¹⁾

Market		Language	Source station	Actual or planned launch date
Montréal		F	CFJP	TQS
		F	CBFT	SRC
		F	CIVM	Télé-Québec (<i>educational & cultural service</i>)
		F	CFTM	TVA
		E	CBMT	CBC
Québec		F	CBVT	SRC
Ottawa		F	CBOFT	SRC
		E	CBOT	CBC
	R	O/E	OMNI 1	Rogers (<i>Toronto ethnic stations</i>)
	R	O/E	OMNI 2	Rogers (<i>Toronto ethnic stations</i>)
Toronto	R	F	CBFT	Rebroadcast of CBOFT Ottawa station with regional news programming
		E	CBFT	CBC
		E	CFTO	CTV
		E	CIII	Global
		E	CITS	Crossroads (<i>religious programming</i>)
		E	CITY	CHUM
		E	CKXT	Quebecor
		O/E	OMNI 1	Rogers (<i>ethnic station</i>)
		O/E	OMNI 2	Rogers (<i>ethnic station</i>)
Hamilton	R	E	CHCH	Global
		E	CKXT	Quebecor (<i>Toronto station</i>)
Vancouver		E	CBUT	CBC
		E	CHAN	Global
		E	CIVT	CTV
		O/E	CHNM	Multivan (<i>ethnic station</i>)
Victoria	R	O/E	CHNM	Multivan (<i>Vancouver station</i>)

(1) Number of stations approved as of 31 December 2006 but not necessarily in operation.

E: English; F: French; O/E: Multi/English; R: Rebroadcaster

Source: CRTC APP 1205 (31 December 2006) and licensees

2. Digital pay and specialty services

- In *Licensing framework policy for new digital pay and specialty services*, Public Notice CRTC 2000-6, 13 January 2000, and in *Revised procedures for processing applications for new digital Category 2 pay and specialty television services*, Broadcasting Public Notice CRTC 2004-24, 8 April 2004, the Commission set out a framework for licensing digital Canadian pay and specialty programming services. This framework established two categories of digital services that are designed to enhance diversity and choice for Canadian viewers:

- Category 1 services: These services have digital carriage privileges and genre protection to support them during the uncertain early digital rollout period. Only a limited number of specialty services have been licensed as category 1 services.
- Category 2 services: These services are not assured digital carriage and do not have genre protection. Applicants that meet the basic licensing criteria and are not directly competitive with any analog pay or specialty, or category 1 services, are licensed.

In order to expand the diversity and the range of Canadian television services available to underserved third-language ethnic communities, the Commission adopted a more open entry approach to applications proposing new third-language ethnic Category 2 pay and specialty services in 2005.⁴⁴ In March 2007, the Commission announced that it will now exempt third-language services, provided they fall under the terms of the new exemption order.⁴⁵

3. Migration of pay and specialty services from analog to digital distribution

- In *Digital migration framework*, Broadcasting Public Notice CRTC 2006-23, 27 February 2006, the Commission set out the framework that will guide the migration to a digital distribution environment for those pay and specialty services that were approved under the analog licensing framework.
- The Commission's goal was to develop a framework that would ensure an orderly transition from the current highly structured technological and regulatory environment to an environment characterized by a more market-driven approach. In designing this framework, the Commission also sought to achieve the following objectives:
 - encourage the transition to digital and eventually high definition distribution;
 - permit BDUs to take advantage of the flexibility of digital distribution, to the benefit of consumers;
 - help ensure that, during the transition, analog programmers can reasonably expect to operate within their business plans, in order to continue to meet their programming obligations and the objectives of the Act, including objectives related to linguistic duality;
 - design an approach that recognizes the unique challenges and characteristics of the French-language market and services;
 - introduce a more simplified regulatory regime, where appropriate; and
 - harmonize the obligations of different types of BDUs.
- The Commission foresees the transition as taking place over three stages. Cable BDUs are currently in the first stage of this transition, characterized by their distribution of analog as well as digital services. The second stage would be

⁴⁴ Revised approach for the consideration of broadcasting licence applications proposing new third-language ethnic Category 2 pay and specialty services, Broadcasting Public Notice CRTC 2005-104, Ottawa, 23 November 2005.

⁴⁵ Exemption order respecting certain third-language television undertakings, Broadcasting Public Notice CRTC 2007-33, 30 March 2007.

characterized by the absence of analog services. Instead, BDUs would offer a mix consisting predominantly of low definition digital services with some high definition services. In the third stage, high definition digital services will predominate. These latter two stages will occur at different times for different BDUs, and each stage will have its own regulatory obligations.

4. Licensing and distribution framework for Canadian pay and specialty services in high definition (HD) format

- In *Regulatory framework for the licensing and distribution of high definition pay and specialty services*, Public Notice CRTC 2006-74, 15 June 2006, the Commission announced its HD licensing and distribution policy framework for Canadian pay and specialty services. The policy proceeding was initiated by *Call for comments on a proposed framework for the licensing and distribution of high definition pay and specialty services*, Broadcasting Public Notice CRTC 2004-58, 6 August 2004 that set out a proposed policy framework in some detail. The framework was based where appropriate on the principles set out in Public Notices 2002-31 and 2003-61.
- The framework is based on a hybrid approach under which existing pay and specialty services who wish to launch a high definition service could choose between a light-handed approach with few privileges or a more traditional regulatory regime and submit their applications for HD authorities accordingly – a licence amendment for the first, a new licence for the second.
- HD authorities granted by licence amendment would be subject to certain restrictions. For example, carriage arrangements would have to be negotiated with distributors, the term of the authority would be limited to three years and the programming of the analogue and HD replacement services would have to be comparable, that is, not less than 95% of the video and audio components would have to be the same.
- New HD-transitional licences would be issued to services that offer the benchmark amounts of high definition programming. These licences would confer carriage rights and the current genre protections. A limited amount of separate HD programming would also be allowed.
- In general, the licensing and distribution policy is intended to encourage the transition of the Canadian broadcasting system to high definition technology. It does so by providing a mechanism for the licensing of transitional high definition pay and specialty services that will permit easy entry for the new technology.
- The policy also encourages broadcasting distribution undertakings (BDUs) to carry high definition services by permitting flexibility in the packaging of such services, and provides regulatory certainty by setting out the details of the distribution framework for the new high definition services, including the distribution and linkage rules, the carriage of non-Canadian high definition signals, and provisions governing technical quality and simultaneous substitution.
- As of 7 June 2007, the Commission has approved, either by way of licence amendment or new services, 58 Canadian services (52 specialty, five pay and one PPV) for distribution in the HD format.

- In the spring 2007, it is estimated that there were at least 385,000 subscribers to discretionary HD services⁴⁶ in Canada.

⁴⁶ Source: Licensees with 20,000 subscribers or more. This figure excludes viewers of HD services carried on basic pursuant to Section 17 of the BDU regulations (cable) and to Section 37 of the BDU regulations (DTH) as well as those viewing HD programming received directly off-air. It also excludes all discretionary subscribers of cable systems with less than 20,000 subscribers as they do not report such information.

IV. Broadcasting distribution

A. Number of Canadian broadcasting distribution undertaking (BDUs)

Table 4.1: Number of Canadian broadcasting distribution undertakings (BDUs)

Cable	
Cable class 1	147
Cable class 2 (including comparable exempt systems)	104
Cable class 3 (including comparable exempt systems)	1,704
Sub-total cable	1,955
DTH	2
MDS	22
Total number of broadcasting distribution undertakings	1,979

Cable class 1: generally undertakings with over 6,000 subscribers

Cable class 2: generally undertakings with 2,000 to less than 6,000 subscribers

Cable class 3: generally undertakings with less than 2,000 subscribers

Sources: September 2006, Mediastats for Class 2 and 3 cable and MDS systems; CRTC APP1205 report dated 31 December 2006 for Class 1 cable and DTH systems

- Most class 2 and 3 cable undertakings are eligible for exemption from licensing requirements.¹

B. Subscriber levels of incumbent and alternative BDU delivery systems

Table 4.2: Number of subscribers (000)

31 August	Cable*		DTH and MDS		Total	
2002	7,249	78.2%	2,017	21.8%	9,266	100%
2003	7,074	76.3%	2,202	23.7%	9,275	100%
2004	6,849	74.7%	2,317	25.3%	9,166	100%
2005	6,801	73.2%	2,489	26.8%	9,290	100%
2006	7,350	73.7%	2,628	26.3%	9,978	100%

*The 2002 to 2005 broadcast years include subscribers to all (non-exempt) class 1, 2 and 3 cable systems.

The 2006 broadcast year includes exempted and class 1, 2 and 3 systems owned by licensees of cable systems.

Minor variances are due to rounding.

Digital Subscriber Line (DSL) results are included with cable results.

2002 to 2005 figures have been updated to reflect current aggregate August 31 results.

Source: CRTC financial database

¹ Exemption order respecting cable systems having fewer than 2,000 subscribers, Public Notice CRTC 2001-121, 7 December 2001 / Exemption of cable broadcasting distribution undertakings that serve between 2,000 and 6,000 subscribers, Broadcasting Public Notice CRTC 2003-23, 30 April 2003.

- Cable licensees continue to maintain the bulk of subscriber market share. Competition, primarily from direct-to-home (DTH), has reduced the overall share of cable licensees from 78% in 2002 to approximately 74% in 2006.
- DTH subscribership increased 5.6% from 2005 to 2006.
- Digital Subscriber Line (DSL) undertakings distribute programming to subscribers through a telephone line or "copper twisted-pair." Digital modulation techniques permit the transmission of voice, high-speed data and video on the same copper twisted-pair. Currently Aliant Telecom Inc. (Aliant), Bell Canada (Bell), MTS Communications Inc. (MTS), Saskatchewan Telecommunications (SaskTel) and Telus Communications Inc. (TCI) are licensed as Class 1 BDUs to provide service using DSL technology.

C. Top Canadian distributors

Table 4.3: Top Canadian distributors and number of subscribers

Corporations	Number of subscribers (000)			
	2004	2005	2006	2007
Rogers Cable Inc. ⁽¹⁾	2,266	2,249	2,260	2,278
Shaw Communications Inc. ⁽²⁾	2,074	2,138	2,179	2,220
Bell ExpressVu LLP ⁽¹⁾	1,403	1,532	1,739	1,824
Vidéotron Ltée ⁽¹⁾	1,428	1,455	1,520	1,583
Star Choice Television Network Inc. ⁽²⁾⁽³⁾	814	830	862	873
Cogeco Cable Inc. ⁽²⁾	829	831	836	955
Total – Top Canadian distributors	8,814	9,035	9,396	9,732

Minor variances are due to rounding

(1) As of March 31 each year.

(2) As of February 28 each year.

(3) Star Choice Television Network Inc. is controlled by Shaw Communications Inc.

Sources: Corporate Quarterly Reports

D. Ensuring a financially strong sector²

1. Revenues

Table 4.4: Revenues (\$ 000,000)

	2002	2003	2004	2005	2006
Programming services (basic and non-basic)					
<i>Revenue obtained from the basic and non-basic programming packages provided by distributors</i>					
Cable*	3,285	3,360	3,401	3,490	3,943
DTH and MDS	930	1,167	1,329	1,437	1,641
Total	4,215	4,527	4,729	4,927	5,584
Exempted and non-programming services					
<i>Revenue obtained derived from exempt services and non-programming services such as the Internet</i>					
Cable*	688	1,056	1,273	1,437	2,059
DTH and MDS	17	37	29	31	86
Total	704	1,093	1,302	1,467	2,145
Total revenue					
<i>Includes revenue derived from programming & non-programming services</i>					
Cable*	3,973	4,416	4,674	4,926	6,001
DTH and MDS	946	1,204	1,357	1,468	1,728
Total	4,919	5,620	6,031	6,395	7,729

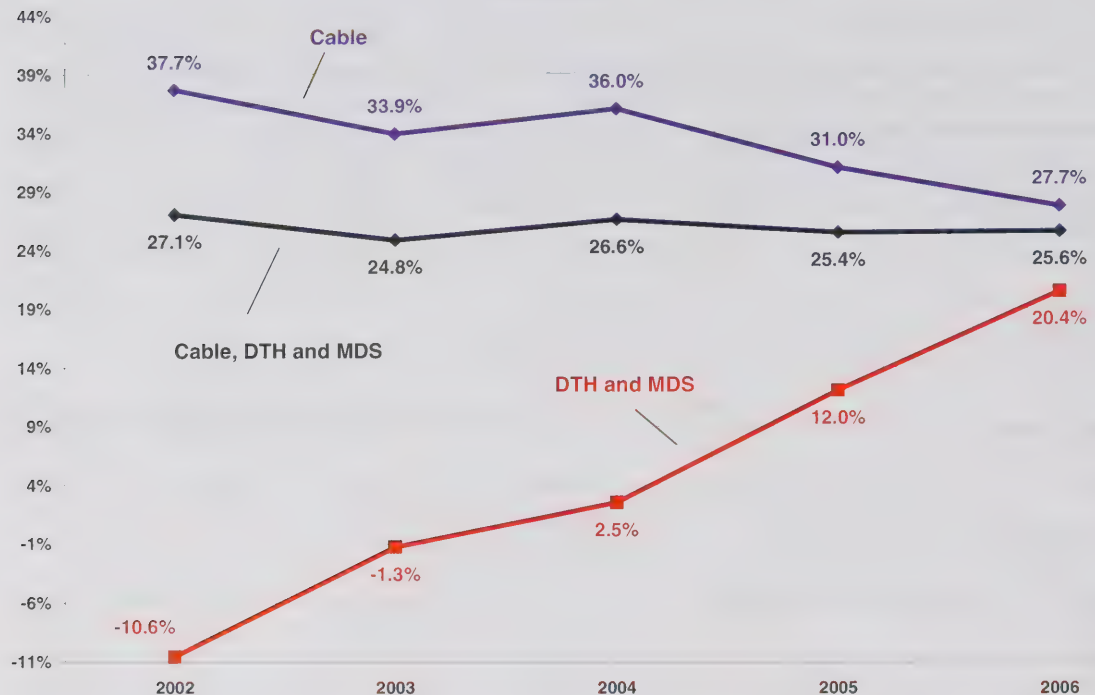
*The 2002 to 2005 broadcast years include subscribers to all (non-exempt) class 1, 2 and 3 cable systems. The 2006 broadcast year includes exempted as well as class 1, 2 and 3 (non-exempt) systems owned by licensees of cable systems. Minor variances are due to rounding. Source: CRTC financial database

- The BDU industry as a whole has continued to grow with total revenues reaching \$7.7 billion in 2006.
- DTH and MDS reported increased revenues of 17.7% in 2006.
- In 2006, 66% of total revenues reported by cable related to regulated broadcasting programming services. In 2002, this percentage was 83%, indicating the growing importance of non-programming services to cable revenues.

² Additional statistical and financial data available on the CRTC website: <http://www.crtc.gc.ca/eng/stats.htm>

2. Earnings before interest, taxes, depreciation and amortization (EBITDA) margins for cable and DTH and MDS undertakings

Chart 4.1: EBITDA margins achieved from basic and non-basic programming activities



Excludes exempted and non-programming services
Source: CRTC financial database

- The EBITDA margin for cable undertakings from basic and non-basic programming activities continues to decrease from 31% in 2005 to 27.7% in 2006. In contrast, the EBITDA margin from basic and non-basic programming activities reported by DTH and MDS undertakings continues to increase to 20.4% in 2006.
- The combined EBITDA margin for cable, DTH and MDS undertakings from basic and non-basic programming activities has been relatively stable.

E. Ensuring contributions to Canadian programming and local expression

- The *Broadcasting Distribution Regulations*³ (the BDU Regulations) require that all Class 1 and Class 2 cable licensees, as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of their gross annual revenues derived from

³ Proposed *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-84, 2 July 1997, and *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150, 22 December 1997.

broadcasting activities to support Canadian programming. Contributions to Canadian programming are made through the Canadian Television Fund (CTF) and other independent production funds, as well as through contributions to local expression.

- The BDU Regulations require that a minimum of 80% of the gross revenues that must go to production funds be directed to the CTF, with up to 20% directed to one or more independently administered production funds, other than the CTF. The Commission's *Contributions to Canadian Programming by Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-98, 22 July 1997, as well as two subsequent Public Notices,⁴ set out the criteria to be met by such independently administered funds.

1. CRTC Task Force on the Canadian Television Fund

- On 20 February 2007, the Commission established the CRTC Task Force on the Canadian Television Fund (the Task Force) to investigate issues related to the funding of Canadian programming and the governance of the Canadian Television Fund (CTF).
- Following extensive consultations with all sectors of the television broadcasting industry, the Task Force released a report with its findings and conclusions. The Task Force made a number of recommendations to increase the efficiency and effectiveness of the CTF, to encourage greater participation by broadcasting distribution undertaking (BDU) representatives, and to clarify the roles of the Board and the CTF staff.
- In the report, the Task Force affirms the important role played by the CTF and the independent production sector in producing quality Canadian television programs. However, given the increasingly competitive environment facing Canadian broadcasting, the Task Force also recommends that the current objectives of the CTF be broadened to include more support for Canadian television programs that succeed with Canadian audiences.
- In order to achieve this goal, the Task Force proposed, among other things, that the Commission amend its BDU Regulations so that the funds contributed by BDUs are allocated to a more flexible and market-oriented private sector funding stream. The Task Force also proposed that the CTF allocate a portion of its funds to the development of productions for new media platforms.
- It is the preliminary view of the Commission that it is in agreement with the recommendations of the Task Force. Accordingly, it intends to implement those recommendations that fall within its powers. To this end, the Commission has issued a call for comments⁵ seeking comments from interested parties on the Task Force Report.

⁴ *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2003-38, 16 July 2003, and *Contributions to Canadian programming by broadcasting distribution undertakings*, Broadcasting Public Notice CRTC 2004-21, 31 March 2004.

⁵ *Call for comments on the Canadian Television Fund (CTF) Task Force Report*, Broadcasting Public Notice CRTC 2007-70, 29 June 2007.

2. Contributions to programming funds

**Table 4.5: Contributions to programming funds
(\$ 000,000)**

	CTF					Independent Funds					Total CTF & Other Funds				
	02	03	04	05	06	02	03	04	05	06	02	03	04	05	06
Class 1	66	68	68	70	77	16	16	17	16	19	82	84	85	85	95
DTH, MDS & SRDU*	38	47	54	57	61	10	12	13	14	15	47	59	67	71	75
Total	103	115	122	126	137	26	29	30	30	33	129	143	152	156	171

Notes: Based on August 31 of each year. An internal review resulted in a reclassification of some of the contributions from 2001-2005.

Minor variances are due to rounding.

*SRDU: Satellite Relay Distribution Undertaking

Source: CRTC financial database

- The BDU Regulations permit Class 1 licensees with fewer than 20,000 subscribers to allocate all of their Canadian programming contributions to local expression.
- As Class 2 cable systems have largely been granted exempt status, they are not required to file annual returns reporting their contributions to programming funds to the Commission.
- Several Class 1 cable systems passed the 20,000 subscriber mark in 2004 and some Class 1 cable systems serving fewer than 6,000 subscribers were exempted and ceased to file annual returns in 2004, accounting for the difference in CTF contributions reported between 2003 and 2004.

3. Total community channel expenses

Table 4.6: Community channel expenses for class 1 cable

	Total community channel expenses (\$ 000)				
	2002	2003	2004	2005	2006
Class 1	85,965	81,274	88,321	94,151	100,929

Notes: Based on August 31 of each year. 2001 to 2005 figures have been updated to reflect current aggregate August 31 results. Minor variances are due to rounding. Class 1 BDU must comply with Section 29 of the Broadcasting Distribution Regulations, which requires them to pay a contribution of 5% of its gross revenues derived from broadcasting activities to Local Expression and Canadian Programming. The eligible amount for Local Expression is explained in Public Notice CRTC 1991-59, Community Channel Policy, and includes the depreciation relating to direct expenditures.

Source: CRTC financial database

- Public Notice 1997-25 introduced flexibility for cable licensees in regard to the manner in which they contribute to Canadian programming and local expression, formerly required entirely through investment in a community channel.

4. Number of systems maintaining a community channel

- The BDU Regulations no longer require class 1 and 2 licensees to operate a community channel. Apart from its benefits to the public through local reflection, the community channel provides cable operators with a highly effective medium to establish a local presence and to promote a positive corporate image. Accordingly, many continue to offer one.
- The following table outlines the number of Class 1 licensees that have reported community channel expenses between 2001 and 2006. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than one undertaking.

Table 4.7: Cable undertakings contributing to community channels

	2002	2003	2004	2005	2006
Class 1	143	143	137	135	134

Note: Based on August 31 of each year. 2001 to 2005 figures have been updated to reflect current aggregate August 31 results.

Source: CRTC financial database

F. Promoting digital technology

Table 4.8: Number of subscribers receiving digital services

Number of digital subscribers (000)							
Distribution type	Total			English		French	
	Number	% of Total	Growth	Number	Growth	Number	Growth
Sept. 2006			05 to 06		05 to 06		05 to 06
Digital cable	2,973.0	51%	13%	2,283.8	8%	689.2	34%
DTH*	2,658.3	46%	6%	n/a *	n/a *		
MDS	29.7	1%	-25%	16.7	-37%	13	0%
DSL	128.7	2%	42%	128.7	42%	-	
Total	5,789.7	100%	10%				
Sept. 2005			04 to 05		04 to 05		04 to 05
Digital cable	2,630.8	50%	28%	2,116.8	27%	514.0	32%
DTH*	2,514.9	48%	9%	n/a *	n/a *		
MDS	39.4	1%	-16%	26.4	-17%	13.0	-15%
DSL	90.3	2%	87%	90.3	87%	-	-
Total	5,275.4	100%	19%				
Sept. 2004			June 04 to Sept. 04		June 04 to Sept. 04		June 04 to Sept. 04
Digital cable	2,054.0	46%	6%	1,663.9	7%	390.1	4%
DTH*	2,301.4	52%	2%	n/a *	n/a *		
MDS	47.0	1%	-3%	31.7	-1%	15.3	-7%
DSL	48.2	1%	18%	48.2	18%	-	
Total	4,450.6	100%	4%				
June 2004			03 to 04		03 to 04		03 to 04
Digital cable	1,937.8	45%	25%	1,561.7	21%	376.1	48%
DTH*	2,257.4	53%	14%	n/a *	n/a *		
MDS	48.4	1%	-15%	32.0	-10%	16.4	-23%
DSL	40.9	1%	n/a	40.9		-	
Total	4,284.5	100%	19%				
June 2003			02 to 03		02 to 03		02 to 03
Digital cable	1,550.4	43%	34%	1,295.6	31%	254.9	53%
DTH	1,987.5	55%	9%	1,458.6	9%	528.9	9%
MDS	56.7	2%	-19%	35.5	-16%	21.2	-23%
Total	3,594.6	100%	18%				
June 2002							
Digital cable	1,155.6	38%		989.3		166.3	
DTH	1,825.0	60%		1,339.4		485.6	
MDS	69.9	2%		42.4		27.5	
Total	3,050.5	100%					

*English- and French-language subscriber estimates for DTH were not provided from 2004 to 2006.

Source: Mediatstats

G. Review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services

- In *Review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services*, Broadcasting Notice of Public Hearing CRTC 2007-10, 5 July 2007 (Notice of Public Hearing 2007-10), the Commission announced that it would hold a hearing in January 2008 to consider matters as part of a review of the regulatory frameworks for broadcasting distribution undertakings and discretionary programming services and invited written comments and proposals from the industry and interested parties.
- In Notice of Public Hearing 2007-10, the Commission indicated that BDUs and programmers must be able to respond to the evolving expectations, tastes and demographics of Canadian viewers. In order to meet the challenges of the years ahead, licensees will need to have the flexibility to react quickly and creatively to the opportunities and challenges they encounter, and not be burdened by detailed or unnecessary regulations.
- To this end, the Commission has indicated that it would like to take a revitalized approach to both distribution and discretionary programming undertakings that would aim to reduce regulation to the minimum necessary to achieve the objectives of the Act, relying instead on market forces wherever possible. In particular, the Commission is seeking to:
 - develop forward-looking regulatory frameworks that are strategic, straightforward, flexible, and equitable;
 - ensure a strong Canadian presence in the broadcasting system in the form of distinct and diverse Canadian programming and services; and
 - recognize the increasing autonomy of audiences and consumers, providing them with the greatest possible choice of services at affordable prices.
- This proceeding will also finalize the regime to apply to direct-to-home (DTH) distributors with respect to the distribution of HD services.

V. Diversity and social issues

The Commission's key social policy objectives can be described under four general headings:

- A. Official languages
- B. Diversity
- C. Accessibility
- D. Programming standards

A. Official languages

- The *Broadcasting Act* (the Act) recognizes that "English and French language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements." The Act requires that "a range of broadcasting services in English and in French shall be extended to all Canadians as resources become available" and that CBC programming "reflect the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities" so as "to be of equivalent quality in English and in French."
- The steps taken by the Commission to implement the objectives of the Act concerning linguistic duality are reported in the CRTC Action Plan 2006-2009 for the Implementation of section 41 of the *Official Languages Act*.¹ The plan describes the activities the CRTC will conduct to address the needs and priorities of the official language minority communities.
- In the wake of the audit report of the Office of the Commissioner of Official Languages published in February 2007,² the Commission is committed to updating its 2006-2009 three-year action plan in order to ensure the necessary follow-up to the proposed recommendations.
- Over the next several years, the Commission intends to continue its efforts to promote linguistic duality, which are aimed at strengthening the vitality of the English and French language minority communities in Canada and fostering their development, within the limits of its mandate.

B. Diversity

- The Commission's objective with regard to diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of ethnocultural

¹ The report is available on the Commission's Web site at: <http://www.crtc.gc.ca/eng/BACKGRND/language/plan2006.pdf>
The 2005-2006 Achievement Report for the Implementation of section 41 of the *Official Languages Act* is also available on the Commission's Web site: http://www.crtc.gc.ca/eng/BACKGRND/language/result2005_06.pdf

² The report is available on the Web site of the Office of the Commissioner of Official Languages: www.ocol-clo.gc.ca

minorities, Aboriginal peoples and persons with disabilities. Consistent with section 3(1)(d)(iii) of the Act, the Canadian broadcasting system should:

- through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society.
- Accordingly, the Commission expects all licensees to reflect the diversity of the markets they serve.
- The Commission has identified two clear objectives for the Canadian broadcasting system with respect to diversity:³
 - The broadcasting system should be a mirror in which all Canadians can see themselves.
 - The broadcasting system should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills.
- In practical terms, the Commission's objectives are to ensure:
 - the accurate reflection of the presence ("who we see" and "who we hear") of ethnocultural minorities, Aboriginal peoples and persons with disabilities; and
 - the accurate, fair and non-stereotypical portrayal ("how we see" and "how we hear") of such groups.
- The Commission is achieving its objectives by licensing services that target specific communities and through expectations with regard to private television broadcasters, private radio broadcasters and the Canadian Broadcasting Corporation (CBC).

1. Services targeted to specific communities

- The Commission continues to license services dedicated to serving specific communities such as:
 - over-the-air ethnic radio and television services;
 - ethnic specialty and pay services;
 - native radio and television undertakings; and
 - The Aboriginal Peoples Television Network.
- The Commission authorizes non-Canadian third-language services for distribution in Canada, subject to certain criteria. In December 2004, the Commission issued Public Notice 2004-96,⁴ which announced a revised approach to the assessment of requests

³ *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999.

⁴ *Improving the diversity of third-language television services – A revised approach to assessing requests to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis*, Broadcasting Public Notice CRTC 2004-96, 16 December 2004.

to add non-Canadian third-language television services to the lists of eligible satellite services for distribution on a digital basis. The revised policy, which established a more open-entry approach to the authorization of non-Canadian third-language general interest services, puts a greater emphasis on expanding the diversity and choice in television services available to underserved third-language ethnic communities in Canada. Since the announcement of the revised policy, a total of sixty-one (61) third-language services have been authorized.⁵

- Further to Public Notice 2005-104,⁶ which announced the establishment of an open-entry approach for general interest third-language ethnic Category 2 pay and specialty services in order to expand the diversity and range of services available to underserved communities, the Commission issued Public Notice 2007-33,⁷ an exemption order that exempts from regulation certain third-language television undertakings, provided they meet the terms of the exemption order.

2. Private television broadcasters

Employment Equity

- The Commission requires broadcasters to describe their plans and activities with respect to the equitable employment⁸ and on-air representation of the four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.

Cultural Diversity Corporate Plans

- Since August 2001, the Commission has required television licensees to develop and file detailed corporate plans that include specific commitments to corporate accountability, the reflection of diversity in programming, and the solicitation of effective feedback from viewers.⁹ Since 2004, the Commission has required that these plans also include persons with disabilities.¹⁰ As of 31 March 2007, the Commission has received plans from:
 - Alliance Atlantis Broadcasting Inc.
 - Astral Broadcasting Group Inc.¹¹
 - Cable Public Affairs Channel Inc.
 - Canal Évasion Inc.
 - CanWest MediaWorks Inc.
 - CHUM Limited

⁵ The number of authorized third-language services quoted here represents the number that was authorized as of 17 April 2007.

⁶ *Revised approach for the consideration of broadcasting licence applications proposing new third-language ethnic Category 2 pay and specialty services*, Broadcasting Public Notice CRTC 2005-104, 23 November 2005.

⁷ *Exemption order respecting certain third-language television undertakings*, Broadcasting Public Notice CRTC 2007-33, 30 March 2007.

⁸ Licensees with 100+ employees report on employment equity directly to Department of Human Resources and Social Development.

⁹ Broadcasters' corporate plans for cultural diversity are available on the Commission's diversity public file.

¹⁰ *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.

¹¹ Teletoon/Télétoon adheres to the plan filed by Astral Broadcasting Group Inc.

- Consortium de télévision Québec Canada inc.
 - Corus Entertainment Inc.
 - CTV Television Inc.
 - Groupe TVA inc.
 - Learning & Skills Television of Alberta Limited
 - MusiquePlus inc.
 - Pelmorex Communications Inc.
 - Rogers Broadcasting Limited
 - The Score Television Network Limited
 - TQS Inc.
 - Vision TV
- As a key tool for monitoring progress in this respect, the Commission also requires television licensees to file annual reports outlining progress made to achieve the stated goals and any new initiatives undertaken. These reports are available on the Commission's website.¹²

Task Force for Cultural Diversity on Television

- In July 2004, the Task Force for Cultural Diversity on Television, which was formed by the CAB in 2001, published an extensive report.¹³ The report includes the results of a landmark quantitative and qualitative study of the state of representation on private Canadian television as well as a recommended set of best practices and industry initiatives.
- The Commission issued its response to the report in Public Notice 2005-24.¹⁴ The Commission stated that, in addition to overall improvements in the representation and reflection of ethnocultural diversity on television, it expects progress to be made by broadcasters in addressing the key gaps identified by the research, namely:
 - the virtual absence of Aboriginal peoples in all genres of programming;
 - the significant under-representation of Asian Canadians in all genres of programming; and,
 - the lack of visible minorities and Aboriginal peoples in French-language news, in lead roles in English-language news programming, and in primary roles in English-language drama.
- The Commission stated that it expects the CAB to report annually on its progress in implementing the industry initiatives recommended by the Task Force. The CAB filed its first report on 28 April 2006 and its second report on 3 May 2007.

¹² http://www.crtc.gc.ca/eng/BCASTING/ann_rep/annualrp.htm

¹³ *Reflecting Canadians: Best Practices for Cultural Diversity in Private Television*, is available on the CAB website (http://www.cab-acr.ca/english/social/diversity/taskforce/report/cdtf_report_jul04.pdf)

¹⁴ *Commission's response to the report of the Task Force for Cultural Diversity on Television*, Broadcasting Public Notice CRTC 2005-24, 21 March 2005.

Persons with Disabilities

- In response to Public Notice 2004-2,¹⁵ wherein the Commission called upon the CAB to examine issues surrounding the presence, portrayal and participation of persons with disabilities in television programming, the CAB submitted, in September 2005, its final report. Entitled *The Presence, Portrayal and Participation of Persons with Disabilities in Television Programming*, the report included the results of a three-part qualitative research project on the state of the presence, portrayal and participation of persons with disabilities on Canada's privately-owned television services, as well as proposed initiatives, tools and recommendations for both the CAB, its members and its industry partners. On 19 June 2006, the Commission issued its response to the CAB's final report in Public Notice 2006-77.¹⁶ The Commission concluded that it expects progress to be made by both the CAB and broadcasters in addressing the key gaps identified in the research. In addition to the review of industry codes (see below), the Commission indicated its expectation to see progress in the following area:
 - increasing knowledge of the needs and abilities of persons with disabilities at all corporate levels;
 - implementing measures to increase the presence and participation of persons with disabilities, both on-air and behind the camera in terms of access and accommodation; and
 - community outreach initiatives involving persons with disabilities and disability organizations.¹⁷

Review of Industry Codes

- In Public Notice 2005-24, the Commission directed the CAB to review its broadcasting industry codes to determine whether they address concerns identified in the research findings regarding reflection and portrayal. The CAB did so in 2005 and concluded that a new code would be developed to establish industry standards for the portrayal of ethnocultural and Aboriginal groups and persons with disabilities. The CAB submitted its revised *Equitable Portrayal Code* on 12 March 2007. It is the CAB's intention that this code will expand and effectively replace the CAB Sex-Role Portrayal Code for Radio and Television Programming. The Commission expects to respond to the proposed code in Spring 2007.

3. The Canadian Broadcasting Corporation (CBC)

- The Commission requires that the CBC include in its annual reports a description of how it is fulfilling its commitment as noted in Public Notice CRTC 2000-1¹⁸ to more

¹⁵ *Introduction to Broadcasting Decisions CRTC 2004-6 to 2004-27 renewing the licences of 22 specialty services*, Broadcasting Public Notice CRTC 2004-2, 21 January 2004.

¹⁶ *Commission's response to the Canadian Association of Broadcasters' final report on the presence, portrayal and participation of persons with disabilities in television programming*, Broadcasting Public Notice CRTC 2006-77, 19 June 2006.

¹⁷ For further details on the CAB's initiatives regarding persons with disabilities, please see CAB's website at: www.cab-acr.ca/english/social/diversity/disabilities.shtml

¹⁸ *A distinctive voice for all Canadians: Renewal of the Canadian Broadcasting Corporation's licences*, Public Notice CRTC 2000-1, 6 January 2000.

adequately reflect the multicultural and multiracial nature of Canada and to balance their representation on the air in a manner that realistically reflects their participation in Canadian society, and that help to counteract negative stereotypes.

4. Private radio broadcasters

- As part of the commercial radio policy review undertaken in 2006, the CAB proposed a set of best practices for radio licensees, to ensure that the commercial radio sector reflects the multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within society, as well as reflection of persons with disabilities.¹⁹ As requested by the Commission, the CAB filed its revised *"Best Practices for Diversity in Private Radio"* on March 2007. The CAB is also expected to file a reporting strategy for small commercial radio stations in June 2007. The Commission expects to respond to both filings in Fall 2007.

C. Accessibility

- Section 3(1)(p) of the Act states that "programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose."
- In particular, the Commission considers that improved accessibility to television service is clearly a key tool for social integration. Television is an essential source of information for Canadians, enabling them to involve themselves, knowledgeably and effectively, as members of Canadian society. As a vehicle for entertainment, television also allows Canadians to participate in a shared culture and shared social values.

1. Access for persons who are deaf or hard of hearing

- Access for persons who are deaf or hard of hearing is provided through closed captioning, which provides on-screen textual representation of the audio component of a television program. Closed captioning is generally presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.
- In Public Notice 2007-54,²⁰ the Commission set out a new policy with respect to closed captioning. Under this new policy, over-the-air television broadcasters will be required to caption 100% of their programs over the broadcast day.
- Recognizing that 100% error-free captioning is impossible, largely due to technical and/or human error, the 100% requirement is subject to exceptions that take into account instances, but not patterns of equipment/technical malfunctions and human errors that are beyond the broadcaster's control, or exceptional circumstances beyond the broadcaster's control where captioning may not be available.

¹⁹ *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

²⁰ *A new policy with respect to closed captioning*, Broadcasting Public Notice CRTC 2007-54, 17 May 2007.

- The Commission indicated in Public Notice 2007-54 that the underlying rationale of this new policy applies equally to all broadcasters, including educational broadcasters and specialty, pay, pay-per-view and video-on-demand services, and that it will discuss the application of the policy to such undertakings as part of their licence renewals.
- The Commission also indicated its expectation that broadcasters focus on improving the quality, reliability and accuracy of closed captioning, and to work with representatives of the deaf and hard of hearing community to ensure that captioning they provide continues to meet their needs.
- Recognizing that the quality of captioning is a growing concern, in Public Notice 2007-54, the Commission called upon the industry to establish working groups in each of the English- and French-language markets to develop and implement universal standards and to propose and implement concrete solutions with respect to other aspects of captioning quality, including mechanisms aimed at reducing errors and technical malfunctions.
- The Commission has asked the Canadian Association of Broadcasters to coordinate the establishment of the working group that will include CBC and the educational broadcasters. The association is expected to file an Action Plan for the Commission's approval in November 2007.
- In the meantime, the Commission indicated its expectation that all broadcasters take the necessary steps to be more vigilant in the monitoring of the quality of the captioning they broadcast and to demonstrate even greater responsiveness in responding to complaints from viewers.

2. Access for persons who are blind or whose vision is impaired

- Access for persons who are blind or whose vision is impaired is provided through audio description and video description (or described video programming).
- Audio description is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission expects licensees to provide audio description, wherever appropriate.
- Described video programs have narrated descriptions of key visual elements that are timed to occur during lapses in dialogue. Description is normally provided on the secondary audio programming (SAP) channel. Programming such as drama, documentary and children's programs best lend themselves to described video.

Current requirements to provide described video programming

Broadcasters

- All broadcasters are generally expected to broadcast described versions of their programming, wherever available.

- In addition, the Commission imposes conditions of licence on individual broadcasters at licence renewal or upon initial licensing.
- Effective September 2006, all of the stations owned by CTV, Global and CHUM are required to provide an average of 4 hours a week. TVA is expected to achieve similar levels.
- 13 specialty services renewed since 2001 now have conditions of licence requiring them to provide certain minimum amounts of described video, generally starting at 2 hours a week, increasing to 3 or 4 hours by the end of the licence term.

Distributors

- In Public Notice 2005-18,²¹ the Commission reminded Class 1 cable operators and direct-to-home (DTH) providers of their obligation to pass through all described video programming being provided to them by programming services.
- Subsequently, in Public Notice 2006-6,²² the Commission stated that, while Class 2, Class 3 and exempt broadcasting distribution undertakings (BDUs) are required to pass through video description of all programming services on a digital basis, it would be prepared to relieve exempt BDUs and certain Class 2 and Class 3 BDUs of the requirement to pass through video description on an analog basis. The Commission also stated that it finds it appropriate to relieve multipoint distribution system (MDS) BDUs of the pass through requirements due to difficulties experienced in the existing competitive environment.
- The Commission is monitoring the activities of Class 1 and DTH BDUs to assess the extent to which these distribution undertakings are passing description through to their subscribers.

3. National reading services

- VoicePrint and La Magnétothèque are national reading services which were licensed in 1990 to provide programming of benefit to persons who are blind, whose vision is impaired or who are print-restricted. These services provide full-text reading of stories, information, news and features published by a variety of newspapers, magazines and periodicals.
- VoicePrint has mandatory carriage in English-language markets pursuant to an order issued under section 9(1)(h) of the Act.²³ Cable companies distributing VoicePrint on

²¹ Commission requirements for the pass-through of video description - Call for comments on the obligations of smaller broadcasting distribution undertakings, Public Notice CRTC 2005-18, 25 February 2005.

²² Distribution of video description by Class 2, Class 3 and exempt cable distribution undertakings (BDUs) and by multipoint distribution system BDUs, Broadcasting Public Notice CRTC 2006-6, 19 January 2006.

²³ Distribution Order 2000-1 set out in Decision CRTC 2000-380, 11 September 2000 and Decision CRTC 2000-380-1, 21 September 2000.

an analog basis distribute it on CBC Newsworld's SAP channel. MDS licensees, DTH satellite distributors and cable companies distributing Voiceprint on a digital basis distribute it on an audio channel located near a CBC channel.

- La Magnétothèque is provided by cable undertakings as background audio on alphanumeric channels or as audio services on audio channels of their undertakings. It is also offered to FM radio station licensees for broadcast on Subsidiary Communications Multiplex Operation Channels (SCMO).

D. Programming standards

- The Commission is required, pursuant to section 5(1) of the Act, to regulate and supervise the Canadian broadcasting system with a view to implementing the broadcasting policy set out in section 3(1) of the Act. Section 3(1) sets out an extensive declaration of the broadcasting policy for Canada, listing a number of policy objectives that speak to programming standards. Section 3(1)(d)(i) declares that the Canadian broadcasting system should "serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada." Section 3(1)(d)(ii) states that the Canadian broadcasting system should "encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity." Section 3(1)(d)(iii) states that the Canadian broadcasting system should through its programming and employment opportunities arising out of its operations, "serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights." Section 3(1)(g) states that "the programming originated by broadcasting undertakings should be of high standard."
- The Commission is required to balance the achievement of these objectives against the requirement to apply the Act in a manner consistent with freedom of expression and journalistic, creative and programming independence enjoyed by broadcasting undertakings as set out in section 2(3) of the Act. Section 3(1)(h) of the Act states that the broadcasters themselves "have a responsibility for the programs they broadcast."
- A key mechanism for achieving these objectives is through self-regulation. The industry must abide by the following industry codes, some of which apply as a result of the Commission's regulations, some by condition of licence and some as a result of membership in the Canadian Broadcast Standards Council (CBSC) or the Advertising Standards Canada (ASC):²⁴
 - ASC Canadian Code of Advertising Standards
 - Broadcast Code for Advertising to Children
 - Cable Television Community Channel Standards
 - Cable Television Customer Service Standards
 - CAB Code of Ethics
 - CAB Sex-Role Portrayal Code for Television and Radio Programming

²⁴ Links to these codes are available on the Commission's website www.crtc.gc.ca under Industries at a Glance.

- CAB Voluntary Code Regarding Violence in Television Programming
 - CBC Guidelines on Sex-Role Portrayal
 - Code for Broadcast Advertising of Alcoholic Beverages
 - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services
 - Pay Television and Pay-Per-View Programming Code Regarding Violence
 - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of Ethics
- As noted above, in response to Public Notice 2005-24, the CAB has submitted a new portrayal code in March 2007 that incorporates standards, not only for the portrayal of women, but also for the portrayal of ethnocultural groups, Aboriginal peoples and persons with disabilities.²⁵
 - The Commission has indicated its expectation that any discretionary service broadcasting adult programming adhere to the adult programming provisions contained in *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services*.²⁶ The Code includes a comprehensive section specifically addressing adult programming that provides clear guidance for broadcasters regarding the classification and scheduling of adult films. Furthermore, the Commission expects all licensees that distribute adult programming to develop internal policies for the broadcast of adult programming to be submitted at the time of licensing, licence renewal or in the event of a complaint.

1. Complaints and enquiries

- The Commission frequently receives requests for information, comments on procedural issues and complaints by the public, via e-mail, telephone and letter. The following table provides a breakdown of contacts related to broadcasting enquiries in general and broadcasting complaints that the Commission received on an annual basis from 1 April 2003 to 31 March 2007.

Table 5.1: Number of contacts by public

	1 April to 31 March			
	2003-04	2004-05	2005-06	2006-07
Broadcasting related enquiries	16,810	19,493	17,418	13,947
Broadcasting complaints	8,825	9,880	9,469	7,951

Source: CRTC Correspondence Tracking System²⁷

²⁵ This code would replace the CAB's *Sex-Role Portrayal Code for Television and Radio Programming*.

²⁶ *Industry code of programming standards and practices governing pay, pay-per-view and video-on-demand services*, Broadcasting Public Notice CRTC 2003-10, 6 March 2003.

²⁷ The Rapids tracking system counts multiple contacts from the same client on the same complaint as separate units, therefore the actual number of complaints received should be slightly lower.

- The following table provides representative samples of the types of broadcasting complaints that the CRTC received from 1 April 2003 to 31 March 2007, with respect to radio, television, specialty, pay and PPV services. The table also provides the number of referrals that were made by the CRTC to the CBSC for complaints that fell within the CBSC's mandate.

Table 5.2: Broadcasting complaints by sector, by issue

Topic	1 April to 31 March							
	2003-04		2004-05		2005-06		2006-07	
	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC	Com-plaints received	Referrals to CBSC
Radio								
Abusive comment ²⁸	111	48	64	27	108	57	141	64
Adult content	36	20	26	14	28	23	13	5
Alcohol advertising	1	-	-	-	2	2	3	2
Gender portrayal	4	4	3	1	2	2	3	-
Offensive comment ²⁹	359	255	367	197	250	114	204	127
Offensive language ³⁰	33	17	43	18	54	22	52	20
Conventional television								
Abusive comment	142	40	260	60	378	105	124	87
Adult content	397	264	286	138	245	123	132	66
Alcohol advertising	17	2	21	3	6	2	9	2
Gender portrayal	34	27	26	2	3	1	10	3
Offensive comment	572	119	348	144	563	317	154	61
Offensive language	49	26	56	23	66	28	47	19
Television violence	93	34	113	36	86	31	110	59
Specialty channels								
Abusive comment	20	4	129	4	15	10	10	8
Adult content	159	87	135	76	109	68	90	55
Alcohol advertising	2	-	1	-	-	-	1	1
Gender portrayal	2	2	-	-	3	2	2	-
Offensive comment	31	25	59	31	44	31	38	25
Offensive language	10	1	32	4	29	20	14	7
Television violence	10	8	19	16	19	10	16	11
Pay television and pay-per-view services								
Abusive comment	-	-	-	-	-	-	-	-
Adult content	12	-	5	-	5	-	14	-
Alcohol advertising	-	-	-	-	-	-	-	-
Gender portrayal	-	-	-	-	-	-	-	-
Offensive comment	-	-	-	-	-	-	-	-
Offensive language	-	-	-	-	1	-	-	-
Television violence	1	-	4	-	1	-	1	-
Subscription Radio (Satellite)								
Abusive comments	-	-	-	-	3	3	-	-

Source: CRTC Correspondence Tracking System³¹

²⁸ Where a complaint alleges that hatred or contempt was incited on-air against one of the groups identified in the Television, Radio, and Specialty Regulations.

²⁹ Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" provision.

³⁰ Where a complaint alleges offensive language in song lyrics or in spoken word.

³¹ The Rapids tracking system counts multiple contacts from the same client on the same complaint as separate units, therefore the actual number of complaints received should be slightly lower.

2. Canadian Broadcast Standards Council (CBSC)

- The CBSC³² administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of the standards set out in the following codes:
 - CAB Code of Ethics
 - CAB Voluntary Code Regarding Violence in Television Programming
 - CAB Sex-Role Portrayal Code for Television and Radio Programming
 - Radio and Television News Directors Association of Canada Code of Ethics.
- The Commission deals with complaints that are related to non-member broadcasters who are not CBSC members and with issues that do not fall within the parameters of the Codes administered by the CBSC.

Table 5.3: Complaints handled by the CBSC

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Files handled by the CBSC	2,103	1,725	3,754	1,873	2,369	1,924
Referred by the CRTC	283	443	635	941	1,066	1,013

Source: CBSC annual reports

- The CBSC files annual reports about its activities with the Commission.
- It is important to note that, while not a censor, the Commission is always the final arbiter on matters regarding programming standards. Viewers and listeners may always ask the Commission to consider their complaints either directly, or where they are not satisfied with the results of the self-regulatory process.

3. Advertising Standards Canada (ASC)

- ASC³³ is a not-for-profit industry body committed to creating and maintaining community confidence in advertising. ASC responds to complaints by consumers and special interest groups regarding advertising with respect to all media subject to the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation. In addition, ASC undertakes pre-clearance functions in five industry categories based on applicable legislation, regulations, and/or industry codes and guidelines.

³² www.cbsc.ca

³³ www.adstandards.com

Table 5.4: Complaints handled by ASC

	2000	2001	2002	2003	2004	2005	2006
Complaints received by ASC	1,143	1,164	1,828	1,133	1,540	1,271	1,040
Complaints about television ads	595 (52%)	549 (47%)	591 (32%)	588 (52%)	939 (61%)	579 (46%)	527 (51%)
Complaints about radio ads	48 (4%)	57 (5%)	50 (2.7%)	51 (5%)	90 (6%)	57 (4%)	73 (7%)

Source: Ad complaints reports

VI. New media

A. New media broadcasting undertakings

- The term new media includes the provision of audiovisual services delivered and accessed over the Internet and other non-traditional networks such as mobile phones.
- The new media environment is characterized by rapid technological innovation. In the past year alone we have seen the emergence of new online services, such as Apple TV and Joost, that promise to compete with conventional broadcasting models by offering similar television experiences. These and other online broadcasting and telecommunications services are introducing new business models, that are targeting advertising and subscription, as well as shaping new consumer behaviour in the way they access, use, exchange and interact with content and each other.
- The CRTC issued its first policy on new media in 1999.¹ At that time, it defined new media broadcasting undertakings as those that provided broadcasting services delivered and accessed over the Internet. It was considered that, until it became feasible to deliver high-quality video over the Internet, such services would not offer any serious competition for traditional broadcasters. In issuing its exemption order, the Commission noted that conditions in the new media market were changing rapidly and that the exemption would enable continued growth and development of the new media industries in Canada.
- On 8 June 2006, the Governor in Council issued an Order in Council (the OIC)² requesting that the Commission provide a factual report on the future environment facing the Canadian broadcasting system. In the OIC, the Governor in Council noted that the evolution of audio-visual technologies were profoundly changing how Canadians communicate, express themselves and interact with various media. The OIC stated that the Canadian broadcasting system and its use of various audio-visual technologies must remain relevant in a global digital environment. It further stated that Canada should continue to play a leading role in the development and usage of world class communication technology while fostering Canadian cultural choices and broadening public access to local, regional, national and international information and programming.
- In response, the Commission issued a *Call for comments on a request by the Governor in Council pursuant to section 15 of the Broadcasting Act to prepare a report*

¹ *New Media*, Broadcasting Public Notice CRTC 1999-84, 17 May 1999 (New Media report). The Commission has also issued: *Exemption order for new media broadcasting undertakings*, Broadcasting Public Notice CRTC 1999-197, 17 December 1999 (New media exemption order); *Regulatory framework for mobile television broadcasting services*, Broadcasting Public Notice CRTC 2006-47, 12 April 2006 (Public Notice 2006-47); *Exemption order for mobile television broadcasting undertakings*, Broadcasting Public Notice CRTC 2007-13, 7 February 2007.

² Pursuant to section 15 of the *Broadcasting Act* (the Act), which provides that the Governor in Council may request that the Commission hold hearings or make reports on any matter within its jurisdiction under this Act, the Governor in Council issued Order in Council P.C. 2006-519.

examining the future environment facing the Canadian broadcasting system, Broadcasting Public Notice CRTC 2006-72, 12 June 2006. The purpose of the call was to gather information from the public addressing the points set out in the OIC. The Commission received 52 submissions from individuals, consumer groups, broadcasters, distributors and industry associations and on 14 December 2006 it issued a factual report called *The Future Environment Facing the Canadian Broadcasting System, A report prepared pursuant to section 15 of the Broadcasting Act*³ (Section 15 Report).

- In its concluding observations, the Commission indicated that policy decisions needed to be based on the most relevant and accurate data available and that detailed ongoing monitoring of developments in the evolution, contribution and impact of audio-visual technologies is vital.
- To ensure that the Canadian broadcasting and telecommunications system is responsive to the needs of Canadians, the Commission has established a *New Media Project Initiative* with the aim of examining this rapidly evolving landscape. The purpose of this Initiative is to provide a solid basis for policy development in the new environment. The issues to be explored by this initiative include:
 - Emerging economic and business models
 - Monitoring the changes in behaviour and expectation of Canadian audiences, and the needs of consumers
 - Following trends in technology and services, and
 - Exploring legal issues
- Building on the Section 15 Report, the Commission expects to release its first report in Spring 2008.

B. Internet

- This section provides a brief overview of how Canadians are accessing and using the Internet.
- The results presented in this section are taken from CyberTRENDS Reports,⁴ BBM Analytics. The data is based on national surveys of Canadian adults. Unless otherwise indicated, results refer to the CyberTRENDS December 2006 national survey.
- For additional information relating to the Canadian Internet, broadband and wireless services, the reader may also refer to the *CRTC Telecommunications Monitoring Report, Status of Competition in Canadian Telecommunications Markets and Deployment/Accessibility of Advanced Telecommunications Infrastructure and Services*.⁵ This annual report provides information relating to Canadian telecommunications markets and

³ Copies of this report as well as the submissions received by the parties of record, in-house information and studies commissioned by Commission are available on the following Internet site: www.crtc.gc.ca

⁴ CyberTRENDS, BBM Analytics, Website: <http://www.bbmanalytics.ca> Margin of error on the total survey sample was +/-2.5%, 19 times out of 20. The survey fieldwork was completed between December 6 and 12, 2006.

⁵ Copies of these annual reports are located on the CRTC website http://www.crtc.gc.ca/dcs/eng/pub_arch.htm

includes data and analysis relating to Canadian Internet, broadband and wireless services, as well as new technologies. The 2007 edition of this report is scheduled to be released at the end of July 2007.

1. Canadian advertising on the Internet

Table 6.1: Advertising revenues trends 2002 to 2007

Canadian online advertising revenue (\$000,000)					Forecasted
2002	2003	2004	2005	2006	2007
176	237	364	562	1,010	1,337
% increase	37%	54%	54%	80%	32%

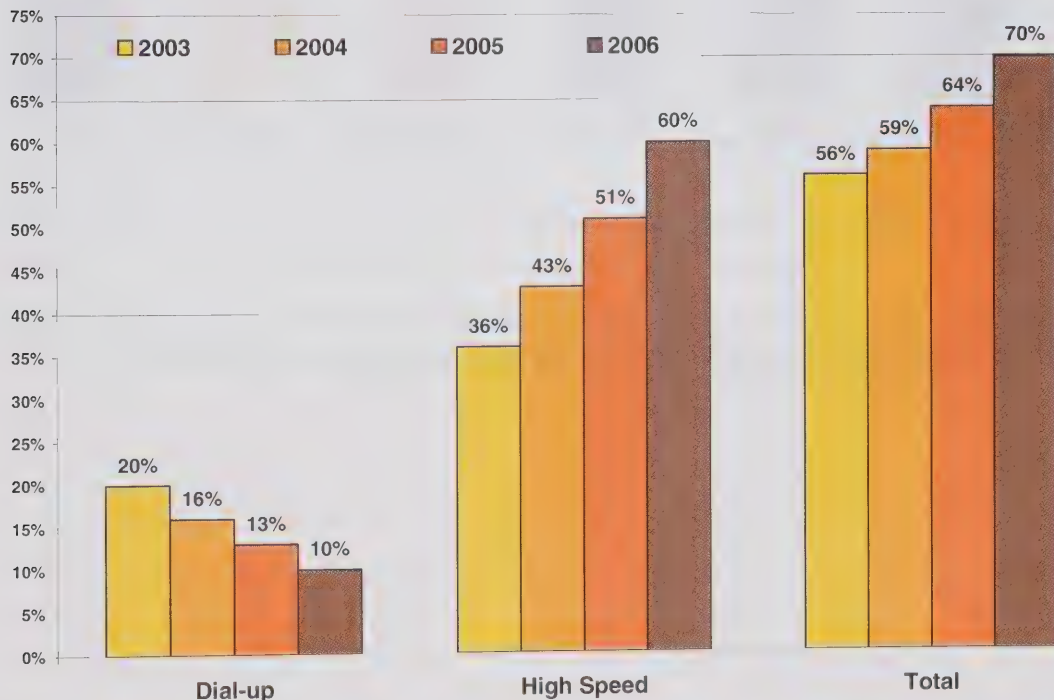
Source: Interactive Advertising Bureau of Canada: www.iabcanada.com

- In 2006, advertising on the Internet almost doubled compared to 2005, increasing from \$560 million to \$1 billion.
- French-language advertising increased 68% from \$124 million in 2005 to \$208 million in 2006.

2. Internet access by Canadians

a) Percentage of Canadian households with Internet

Chart 6.1: Percentage of Canadian households with Internet subscriptions

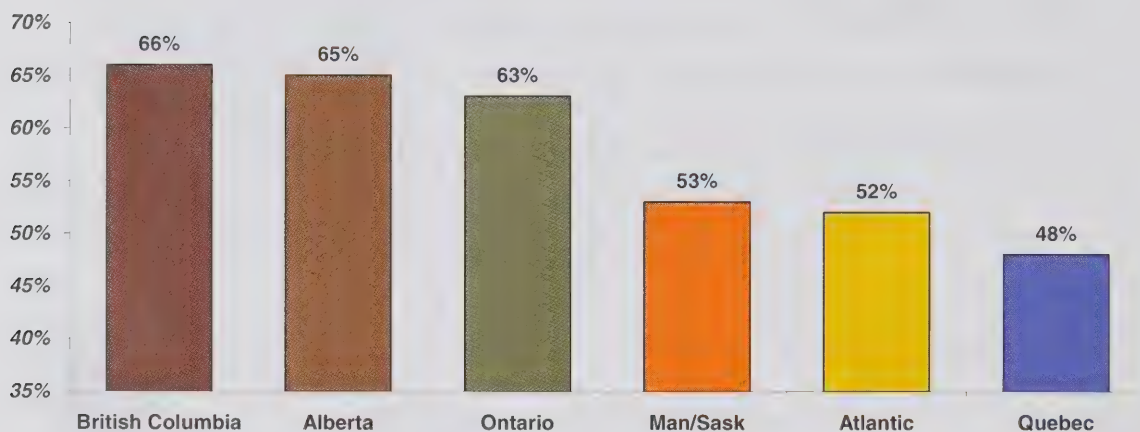


- Internet subscriptions have increased steadily over the period from 2002 to 2006 reaching 70% of households in 2006.
- High speed access has increased over the four years from 36% to 60% while dial-up access has decreased from 20% to 10%.

b) Frequency and duration of Internet use

- In December 2006, approximately 48% of Canadian adults with Internet access connected for up to ten hours of Internet use per week.
- In December 2006, approximately 30% of Canadian adults with Internet access connected for more than ten hours of Internet use per week. This percentage increases to 52% for young Canadian adults aged 18 to 24.

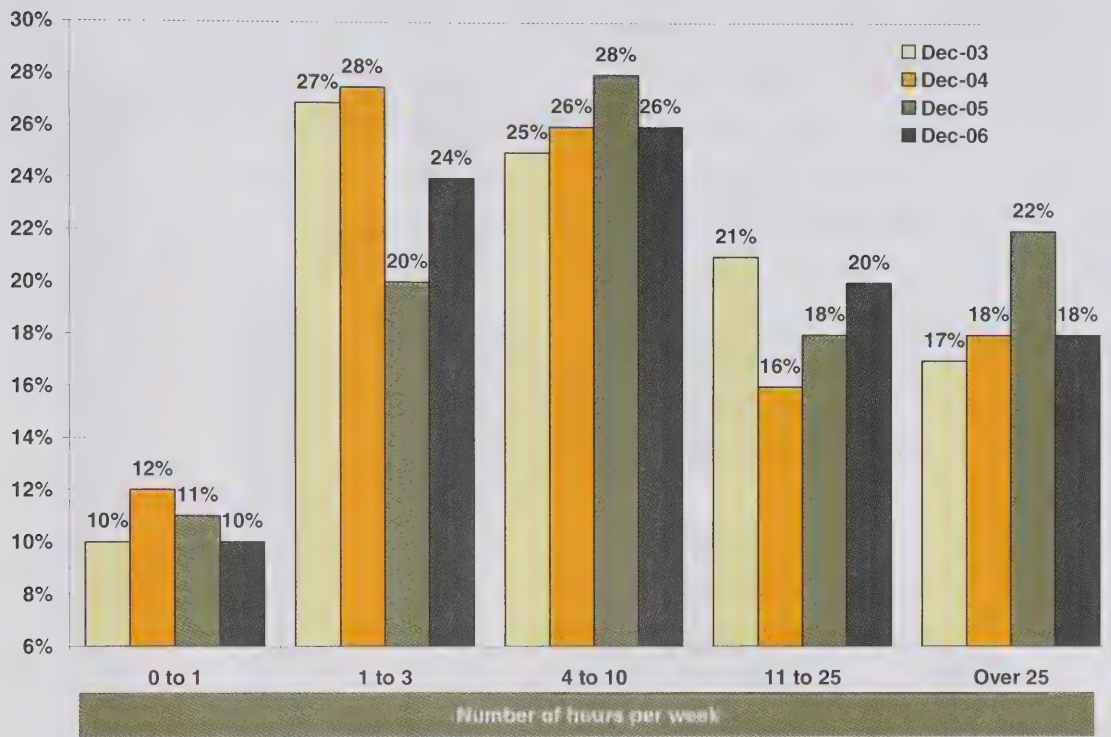
Chart 6.2: Percentage of Canadians using the Internet at least once in a given week – by region



Source: CyberTRENDS, BBM Analytics, December 2006 edition

- Of the Canadians surveyed, a greater percentage of those located in British Columbia, Alberta and Ontario reported accessing the Internet at least once a week.

Chart 6.3: Time spent by Canadians on the Internet in a given week



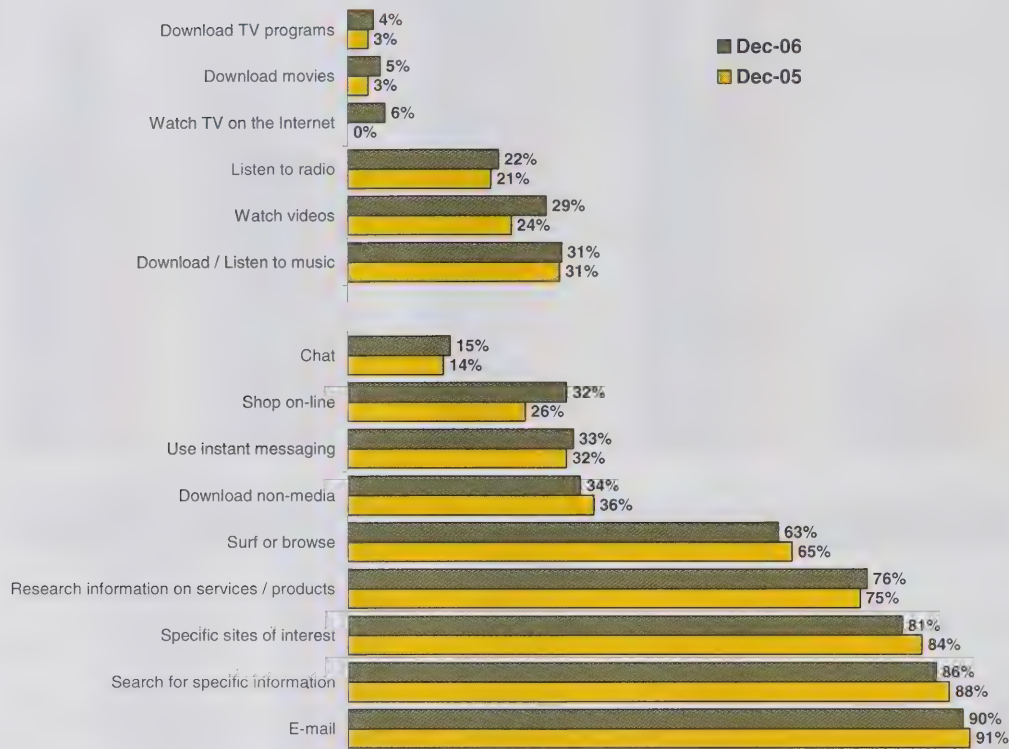
Source: CyberTRENDS, BBM Analytics, December 2006 edition

- The percentage of Canadians who reported having spent between one to three and 11 to 25 hours on the Internet in a given week increased in December 2006.
- The percentage of Canadians spending less than one hour, four to ten hours, and over 25 hours per week on the Internet have returned to December 2003 and 2004 levels.

c) Internet activities

- The December 2006 survey indicates that the average Canadian Internet user spends approximately 54% of their time visiting Canadian websites.

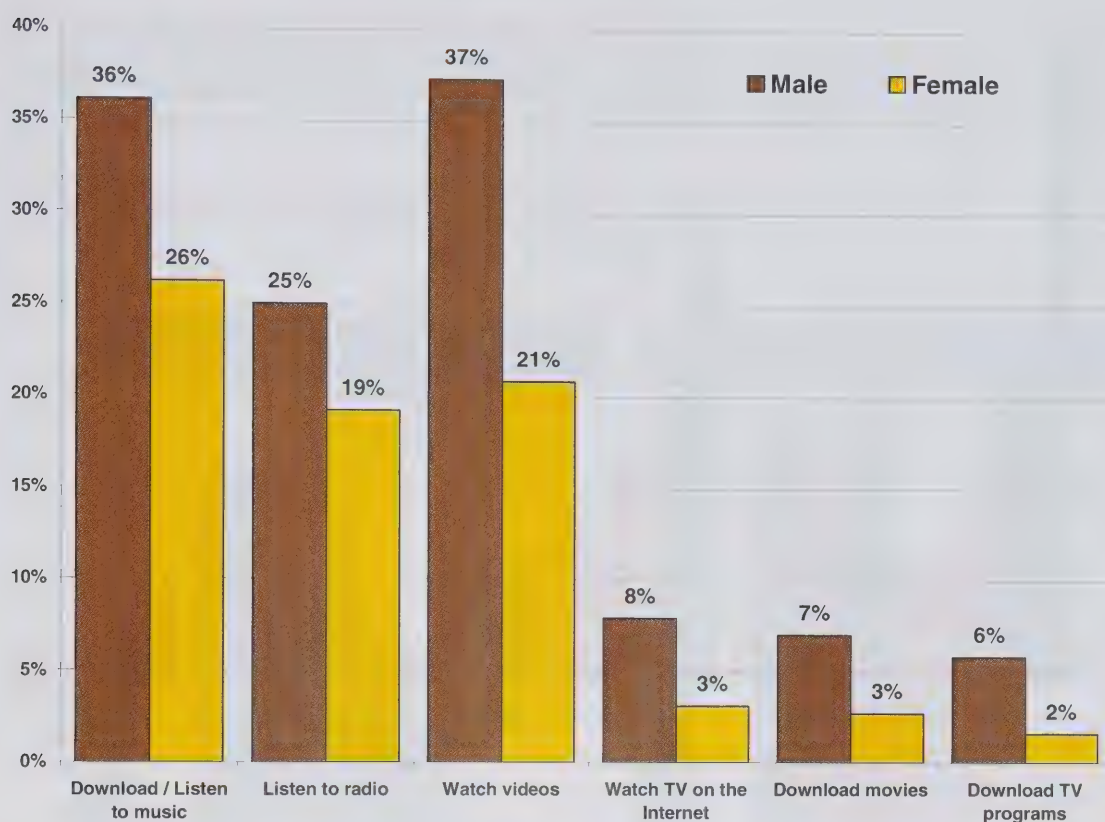
Chart 6.4: On-line activities of Canadians



Source: CyberTRENDS, BBM Analytics, December 2006 edition

- The percentage of Canadian adults reporting having watched or downloaded television, videos or movies from the Internet increased in 2006 compared to 2005.
- The types of programming watched on the Internet are television shows (40%), news (38%), sports (21%), music videos (21%), movies (20%), weather (10%) and comedy (10%).

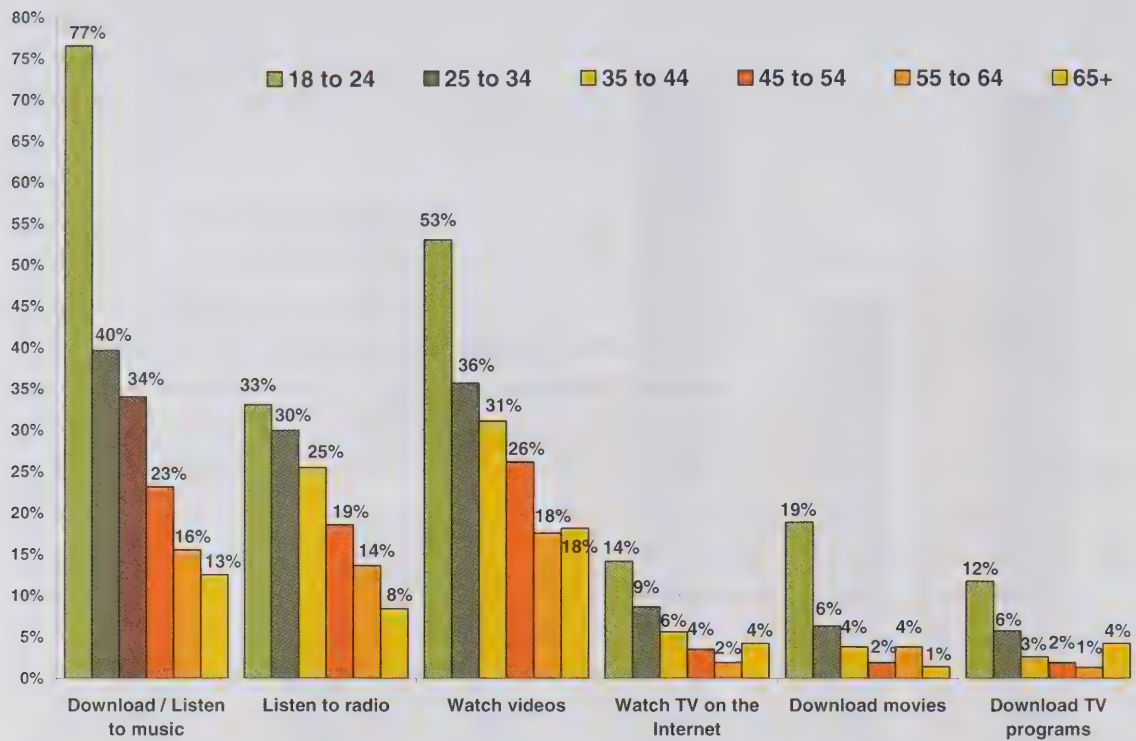
Chart 6.5: On-line audio and video activities of Canadians by gender



Source: CyberTRENDS, BBM Analytics, December 2006 edition

- In December 2006, of those Canadian adults who reported sometimes listened to the radio on the Internet:
 - 38% indicated that they listened to local Canadian stations 91% to 100% of the time. 22.5% indicated that they did not listen to local Canadian stations.
 - 31% indicated that they listened to national Canadian stations sometimes (1% to 100% of the time).
 - 44% indicated that they listened to international stations sometimes (1% to 100% of the time). 47% indicated that they did not listen to international stations.

Chart 6.6: On-line audio and video activities of Canadians adults surveyed by age



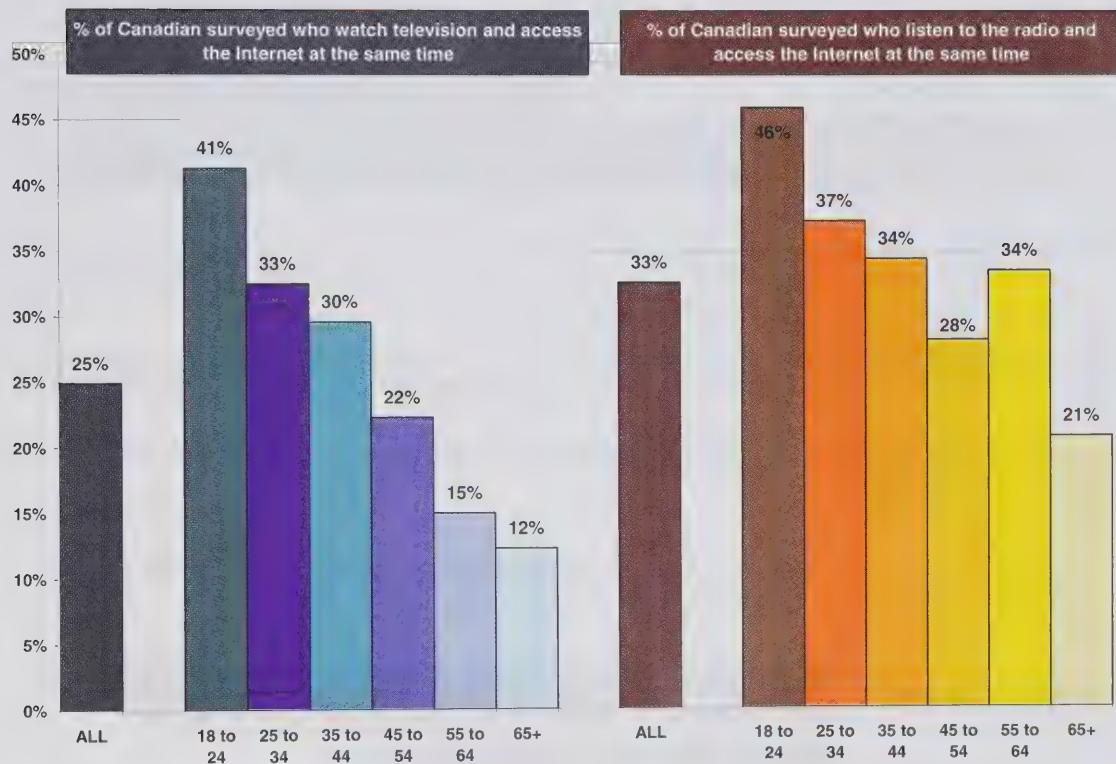
Source: CyberTRENDS, BBM Analytics, December 2006 edition

- Canadian adults aged 18 to 24 have the highest take-up rate of new audio and visual technologies available on the Internet.

3. Effect of Internet use and other new audio-visual technologies on broadcast media

- The following chart shows the percentage of Canadian adults having Internet access who also watch television or listen to the radio while accessing the Internet.

Chart 6.7: Percentage of Canadians who do other activities while accessing the Internet (often or sometimes)



Source: CyberTRENDS, BBM Analytics, December 2006 edition

Table 6.2: Percentage of Canadians who reported using the following devices in December 2006

Devices		% of device users who are	
		Male	Female
Cell phones	58%	53	47
MP3 Player	14%	62	38
Webcam	9%	64	36
iPod	7%	58	42
PDA	5%	75	25
BlackBerry	4%	64	36
Percentage of cell phone, BlackBerry or PDA owners who used these devices to:			
Take pictures	23%	58	42
Record video	8%	73	27
Obtain news or weather	6%	78	22
Obtain sports scores	4%	87	13
Watch television	2%	59	41

Source: CyberTRENDS, BBM Analytics, December 2006 edition

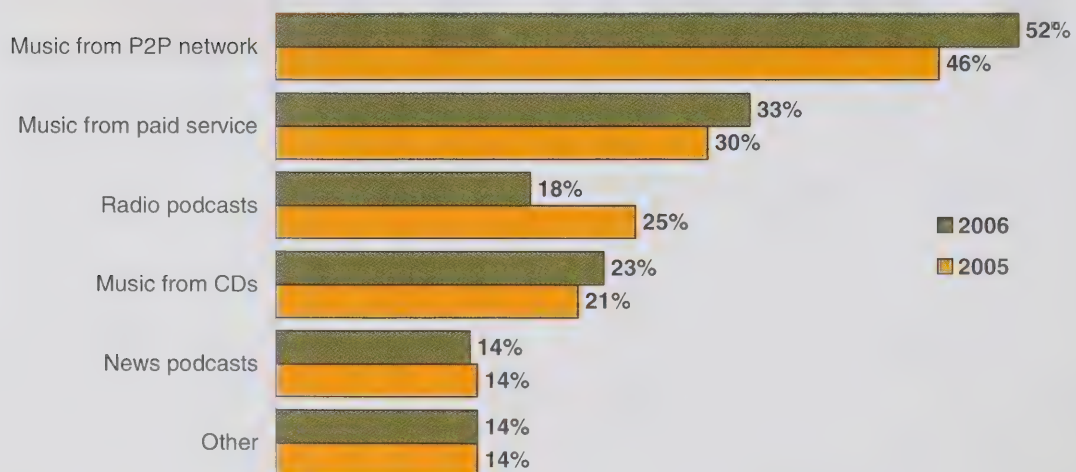
PDA is a pocket size device that combines computing, telephone/fax, Internet, and networking features used as a personal organizer.

iPod and MP3 players are also referred to as digital music players.

Webcam is a video camera, usually attached directly to a computer, which sends periodic images or continuous frames to a Web site.

- Men are the predominant users of BlackBerry, PDA, digital music players and webcams devices.

Chart 6.8: Major uses of iPod and MP3 players* as reported by those with access to the Internet

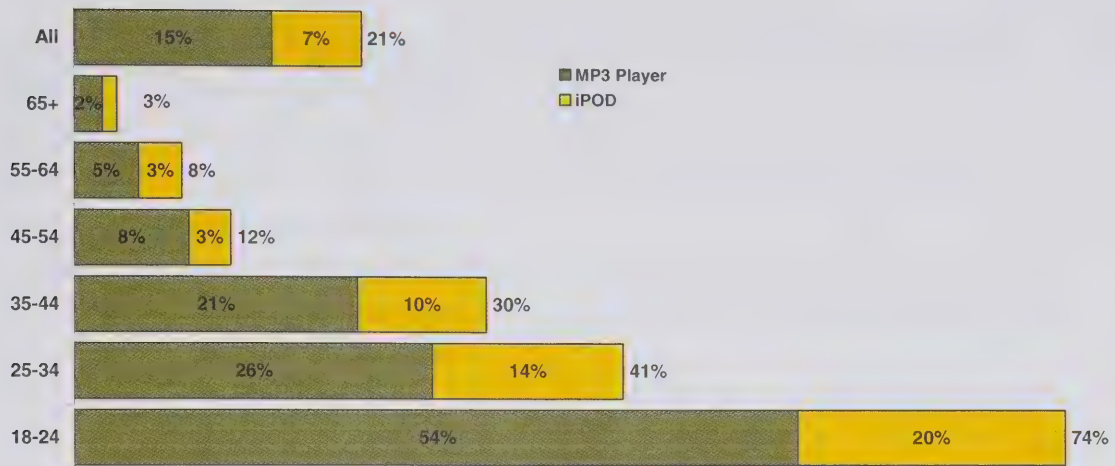


Source: CyberTRENDS, BBM Analytics, December 2005 and 2006 editions

P2P (peer to peer) refers to file sharing network on the Internet where users can share any kind of files for free.

Podcasts refer to music, news or information programs posted on websites for users to download.

Chart 6.9: Percentage of Canadians who use iPod and MP3 players by demographics



Minor variances are due to rounding.

Source: CyberTRENDS, BBM Analytics, December 2006 edition

- Although ownership of digital music players is increasing among all age groups, the highest take-up rates are among teenagers.

Glossary

ASC	Advertising Standards Canada (website: www.adstandards.com)
BBM	BBM Canada (website: www.bbm.ca)
BDU	Broadcasting distribution undertaking
CAB	Canadian Association of Broadcasters (website: www.cab-acr.ca)
Cancon	Canadian content
CASST	Coalition Against Satellite Signal Theft (website: www.casst-ccvss.ca)
CBC	Canadian Broadcasting Corporation (Société Radio-Canada) (website: www.cbc.ca)
CBSC	Canadian Broadcast Standards Council (website: www.cbsc.ca)
CC	Closed captioning
CCD	Canadian content development
CCTA	Canadian Cable Telecommunications Association (website: www.ccta.com)
CPE	Canadian programming expenditures
CRTC	Canadian Radio-television and Telecommunications Commission (website: www.crtc.gc.ca)
CTD	Canadian talent development
CTF	Canadian Television Fund (website: www.canadiantelevisionfund.ca)
DSL	Digital subscriber line
DTH	Direct-to-home
DTV	Digital television
HDTV	High definition television
ISP	Internet service provider
MDS	Multipoint distribution systems
NTSC	National Television Standards Committee
OTA	Over-the-air
P2P	Peer to peer
Pay	Pay television service
PBIT	Profit before interest and taxes
PDA	Personal digital assistant
PPV	Pay-per-view service
PVR	Personal video recorder
RANFA	Return on average net fixed assets
RDU	Radiocommunication distribution undertaking
SAP	Secondary audio programming
SRC	Société Radio-Canada (Canadian Broadcasting Corporation) (website: www.src.ca)

SRDU	Satellite relay distribution undertaking
STV	Subscription television systems
VOD	Video on demand



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